

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, SEPTEMBER 27, 1928



"AMERICA FORE"

Hawks — Falcons — Swallows —  
droning man-made birds wing over us.

Their coming has brought a new  
hazard—damage to property from fall-  
ing aircraft.

The First American, keeping  
pace with progress, now sells Aircraft  
Damage Insurance.

Write to the Inland Transporta-  
tion Department for full details.

**FIRST AMERICAN**  
**FIRE INSURANCE COMPANY**  
EIGHTY MAIDEN LANE, NEW YORK, N. Y.

ERNEST STURM, Chairman of the Board,  
PAUL L. HAID, President.

CASH CAPITAL — ONE MILLION DOLLARS

New York  
Chicago

San Francisco

Dallas  
Montreal



**1898** An outstanding event in the Spanish-American war was the battle of Manila Bay on May 1, 1898. The Spanish fleet was demolished, Admiral George Dewey became overnight a national hero and the foundations of America's present position as a world power were laid in a decisive battle in which only seven Americans were but slightly wounded.

The war with Spain was the outcome of intolerable conditions which prevailed in Cuba under Spanish rule and was hastened by the destruction of the battleship Maine in Havana harbor on February 15, 1898.

Hostilities began in April and ended in August. American casualties included 295 killed and 1533 wounded. The Spanish losses were many times greater.

From 1890 to 1906 the Fireman's Fund took over practically every Pacific Coast insurance company that retired from business and reinsured considerable Eastern and some European business. A partial list includes the marine business of the Anglo-Nevada Assurance Corporation (1890); the marine business of the Union Insurance Company of San Francisco (1892); the Home Mutual and the coast business of the California (1892); the fire and marine business of the Sun of San Francisco (1895); the Oregon business of the State Investment and Insurance Company of San Francisco (1893); the Macon Fire Insurance Company, Macon, Georgia (1897); the Thuringia, Erfurt, Germany (1904).

## Fireman's Fund Insurance Company

FIRE, AUTOMOBILE  
AND MARINE  
INSURANCE



SAN FRANCISCO  
CHICAGO NEW YORK  
BOSTON ATLANTA

*The Fireman's Fund, Home Fire & Marine and Occidental Insurance Company are good companies to represent.*



The writer has represented a number of surety companies in the past, but the service given by the Union Indemnity Company far surpasses anything in his experience. Since the establishment of our agency we have sub-



# Nation Wide SERVICE!

*"Your service far surpasses anything in my experience . . . and places us in a particularly advantageous position in the solicitation of contract business."*

And nothing we can say could better tell of our service than this voluntary expression of an Agent 3,500 miles from Home Office.

An efficient and understanding underwriting force, each underwriter thoroughly familiar with his territory; prompt responses and advance information on proposed construction and lettings, are only a small part of the service that all of our Agents receive.

Union Indemnity Company is an aggressive company working over-time for its Agents. If you are looking forward to such a connection we will be glad to go into details.

*In less than a decade Union Indemnity Company has become one of the largest and strongest casualty and surety companies in America.*

## Union Indemnity Company

Union Indemnity Building, New Orleans

Union Title Guarantee Co., Inc.  
La Salle Fire Insurance Company



Northwestern Casualty & Surety Co.  
Bankers & Merchants Fire Insurance Co.

*There is no capital inter-relation between these affiliated companies*

Correspondence is invited with progressive agents in territories where we are not represented. Address Agency Department, New Orleans, La.



# NORWICH UNION

**NORWICH UNION**

policies and service  
have world-wide  
reputation

**NORWICH UNION  
FIRE INSURANCE SOCIETY, LTD.**

75 Maiden Lane, New York

*Hart Darlington, Manager*

**Eagle Fire Company  
of NEW YORK**

*Incorporated 1806*

75 Maiden Lane, New York

*Hart Darlington, President*

*The Oldest New York Insurance Company*

**NORWICH UNION  
INDEMNITY COMPANY**

75 Maiden Lane, New York

*H. P. Jackson, President*

*In NORWICH UNION there is strength*

# COMPANIES



# The National Underwriter

Thirty-Second Year No. 39

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 27, 1928

\$4.00 Per Year, 20 Cents a Copy

## COMMISSIONERS GIVEN WILD WEST WELCOME

Big Attendance at Annual Meeting  
of Officials at Rapid  
City, S. D.

## IMPORTANT MATTERS UP

Lively Discussion of Convention Ex-  
aminations Features First Session—  
Skirmish Over Presidency

BY C. M. CARTWRIGHT

RAPID CITY, S. D., Sept. 26.—It was a colorful and picturesque wild western greeting that Rapid City gave the National Convention of Insurance Commissioners party when the special train with 120 aboard arrived from Chicago. The American Legion post band, with the pompous drum major performing, played military airs. A band of mounted cowboys with Russ Madison, one of the famous punchers in this region, in command tore back and forth on their ponies, firing pistols and cavorting in real ranch style.

### "Red Indians" Attract Attention

The entire delegation headed by the band and flanked by the cow punchers marched to the Alex Johnson Hotel. At the entrance was a crowd of real Indians, old and young, male and female, elaborately ornamented. Much interest was taken in the dancing by the Indians, who performed in native style, initiating many of the visitors into their fantastic work. Insurance Commissioner Don C. Lewis of this state was on hand to welcome the visitors, assisted by a committee of South Dakota insurance men. The local populace came out to watch the procession from the station.

### Canada Well Represented

The Association of Insurance Superintendents of the Canadian provinces met last week at Regina. At Mankato, Minn., where Sinclair Lewis got his setting and color for "Main Street," Commissioner Henry Brace and Deputy Ralph Moore of Alberta, Commissioner R. Leighton Foster of Ontario and Attorney D. H. Rowan of Toronto got on board, with a number of United States insurance men who attended the Canadian meeting. Commissioner Charles Heath of Manitoba drove down from Regina.

Commissioner C. C. Wysong of Indiana was master of transportation and did a skillful job. The Chicago & Northwestern road assigned General Agent V. A. Hampton of Indianapolis to accompany the party and handle all the details. The Northwestern owns the hotel, so all room assignments were handed to the people en route. The special train will leave here Friday night for Chicago.

Deputy C. J. Gough of New Jersey, who suffered a paralytic stroke last

## KING PREPARES TO FIGHT FIREMEN'S INJUNCTION

### HEARING CALLED AT AIKEN

Judge Cochran Issues Restraining Order After South Carolina Commissioner Revokes Licenses

COLUMBIA, S. C., Sept. 26.—Commissioner Sam B. King of South Carolina, is preparing to fight to the limit the issuance of a permanent injunction restraining him with interfering with agents of the Firemen's of New Jersey. The action arose over Mr. King revoking the licenses of W. D. Crawford, state agent of the Firemen's, and the company itself. The Firemen's through its attorneys, has secured an injunction from a federal judge temporarily restraining Mr. King from interfering with the company. A hearing is to be held on the injunction in Aiken tomorrow. It is believed, however, that the hearing will be postponed as the judge has a number of jury cases before him this week. The temporary injunction was granted by Judge Ernst F. Cochran of United States District Court.

### Question of Bank Agency

Commissioner King's order revoking the licenses of the Firemen's was issued after several efforts had been made to have the agency of the company at Spartanburg, S. C., disassociated from a bank in that city. The Spartanburg business, it is alleged, was handled by the Hicks agency and five members of that firm are alleged to be connected with the bank several months ago. Commissioner King ruled that he would not allow so-called bank agencies to do business in this state and not long after he made that ruling he revoked the license of the Firemen's. The case is attracting much interest among insurance men in this state.

spring, is here and met on the train Superintendent James A. Beha of New York for the first time since the fervid correspondence between the two over the Firemen's of Newark and its assets. Mr. Gough has not yet taken up his duties at the office but is now rounding into form.

### Skirmish Over Presidency

There may be a skirmish over the presidency of the National Convention of Insurance Commissioners. C. R. Detrick of California, first vice-president for two years, who has faithfully attended all the meetings, is backed by a large contingent, who claim he is entitled to the position. Others declare by reason of his outburst at the New York meeting in December in which he publicly castigated the Missouri department for its laxity and alleged protection of wrongdoing, he showed lack of judgment. Yet his sponsors say he worked harmoniously with all departments in the International Life melee. They say Mr. Detrick should be judged by his record since July 31.

James A. Beha of New York is second vice-president, but some officials say

(CONTINUED ON PAGE 44)

## FLORIDA'S INSURANCE LOSS CALLED 10 MILLION

### COMPANIES SPEED PAYMENT

Windstorm Premiums Written in Southern State in 1927 Reach Total of \$1,422,322

NEW YORK, Sept. 26.—The insurance loss in the recent Florida hurricane has been placed at approximately \$10,000,000 by an experienced and conservative adjuster now at West Palm Beach in his report to the National Board. His telegram reads: "There are 3,000 policyholders suffering close to \$10,000,000 insurance loss. Damages are more severe to individual risks than in Miami in 1926." The cities suffering the greatest loss are West Palm Beach, Palm Beach, Okeechobee and Lake Worth.

A group of companies late last week received from its southern department information similar to that contained in the telegram quoted above. Another group of companies has set up as a temporary loss reserve 50 percent of its policy liability in the four cities that were hit hardest. Still another group which at first set up a 50 percent reserve later changed to 100 percent of policy liability.

### Adjustments Speeded

The companies involved are doing their utmost to speed loss adjustments and thus help relieve the distress of those who are suffering. H. G. Foard, secretary of the Home of New York, who supervised adjustment of the Miami losses for the Home fleet, is now at West Palm Beach. J. O. Dye, general adjuster of the Great American, and D. H. Collinson of the North British & Mercantile, also are on the ground in Florida. The National Liberty group has opened its own adjusting office at West Palm Beach.

Because West Palm Beach is an older community than was Miami when the latter city was struck two years ago, property values in West Palm Beach are better known than they were at Miami, and for that reason it is expected that adjustments will not be so complicated as they were at Miami.

### Windstorm Premiums Given

It is reported that the net hurricane premiums written on Florida risks in 1927 were \$1,422,322. This figure equals the total for the two preceding years. Premiums in 1925 were \$327,653 and in 1926, \$1,114,371. Losses under hurricane policies paid in Florida following the Miami disaster in 1926 exceeded \$14,000,000.

In 1927 premium volume the Aetna led with \$51,412. Other companies writing in excess of \$30,000 are: Fireman's Fund, \$40,499; Globe & Rutgers, \$43,368; Liverpool & London & Globe, \$35,782; National Union, \$47,985; Niagara, \$31,558; United States, \$47,962.

The National Board has decided to send its conflagration equipment to West Palm Beach to assist in handling the hurricane losses. Harvey W. Russ, general adjuster of the National Board,

(CONTINUED ON PAGE 23)

## MODIFICATIONS MADE IN CHICAGO PROGRAM

25 Per Cent Maximum for Class  
2 Agents Constitutes Prin-  
cipal Change

## UNION RECOMMENDATION

Favors 10 Percent Contingent to Class  
1 Agents Instead of Leaving  
Amount Indefinite

At its annual meeting held at Manchester, Vt., last week the Western Union voted to approve the report of the committee of nine on commissions, brokerages and related subjects in Cook County as submitted except for two changes suggested. The members of the Union went on record by vote as favoring a maximum commission of 25 percent for class 2 agents instead of 20 percent as set forth in the committee's report, and expressed themselves as favoring a contingent commission of 10 percent to class 1 agents instead of leaving the amount of the contingent to be determined under a formula by the companies in an agency as stipulated in the original report.

### Changes Minor

The approval of the Union, with only minor modifications, is looked upon as indicating that the Chicago plan has an excellent chance of being adopted. The opinion of both company officials and agents in Chicago is that the two changes suggested are not vital enough to overthrow the plan as a whole. The committee of nine originally recommended that the maximum commission to class 2 agents be 25 percent until Jan. 1, 1930; 22½ percent from Jan. 1, 1930, to Jan. 1, 1931, and 20 percent after Jan. 1, 1931. The Union's recommendation is that a flat 25 percent maximum be made effective.

This same scale of commissions under the original arrangement was made applicable also to brokers, so that the principal effect of the Union's recommendation is that class 2 members of the Board receive 5 percent more than brokers. This was a much discussed point at the time the draft of the original plan was made, many contending that class 2 agents were entitled to a higher commission scale than brokers. If the change is adopted class 1 agents will receive a maximum of 35 percent, this giving them a 10 percent overriding on their class 2 business.

### Contingent Definite

Contingent commissions to class 1 agents were, under the original plan, to have been computed under a stipulated contract form, the amount to be determined by the companies represented in an agency. This was felt by a majority of Union members to be too indefinite,

(CONTINUED ON PAGE 24)

## DISCUSSES PLANS FOR CHECKING FRANCHISES

### UNAUTHORIZED WRITING HIT

Commissioner Clark of Vermont in Talk at Rapid City Reviews Suggested Cures

RAPID CITY, S. D., Sept. 26.—Commissioner R. C. Clark of Vermont, in discussing Mr. Freedy's paper on unauthorized insurance before the National Convention of Insurance Commissioners, said:

"In seeking a remedy we are faced with the fact that the state of domicile, which has the power to prohibit by statute a company, incorporated under its laws, from writing insurance on persons or property in territory where it is not licensed, has nothing to gain by such a prohibition. Its citizens are fully protected and it is receiving the premium tax on the business for unauthorized territory. The simple solution would be to induce each state to prohibit the writing of insurance by its domestic companies in unauthorized territory. It will be difficult to secure such legislation unless self interest or self defense compels it. We must find some way of penalizing the state of domicile for failure to enact such a law.

#### New Retaliatory Law

"In replying to the questionnaire sent out by the chairman of the committee on unauthorized insurance, Commissioner Fishback of Washington has made the valuable suggestion that each state pass a law penalizing its own companies for accepting risks from any state where they are not legally licensed to transact business, providing that the latter state has a similar law. This is following out the theory of the retaliatory law which has been found so effective.

"This might prove to be a real solution. Any state which refused to enact such a law would thereby constitute itself a free field for solicitation by mail by any unauthorized company which chose to adopt this plan. This would so affect the business of the local agents and the domestic companies that they would force the enactment of the proposed legislation.

#### Refuse License to Free Lances

"Another means of forcing these companies to secure proper authority would be for the states to provide that only such foreign companies should be licensed by the commissioner as limited their underwriting to states where they were duly licensed. If this law became general, the companies under discussion would have their field for personal solicitation limited to their home states which would seriously hamper them. Such a law would be in accord with Commissioner Freedy's suggested remedy, except authority would be accorded by statute rather than assumed by the commissioner under a general statute.

"One commissioner goes so far as to advocate seeking authority by statute to refuse to license any company domiciled in a state which failed to prohibit writing insurance in unauthorized territory. This is so clearly penalizing the innocent for the offenses of the guilty, that I doubt the possibility of securing the necessary legislation.

#### Could Use Publicity

"There is one other effective means of combating this evil and that is by publicity. By circulars and through the press the insurance commissioner can explain to the public the danger which lies in dealing with unauthorized companies. Commissioners Luning of Florida and Lee of Oregon and possibly others have taken this means of combating the evil. Until remedial legislation can be secured this is our most effective weapon."

## SOUTH DAKOTA AGENTS REELECT A. W. WELLER

### A. A. COBURN VICE-PRESIDENT

State Organization Increases Its Membership and Functions Well—Dinner Closes Session

RAPID CITY, S. D., Sept. 26.—The annual meeting of the South Dakota Association of Insurance Agents was held here Tuesday. A. W. Weller of Mitchell, the president, presided. He was reelected to office. A. A. Coburn of Deadwood was elected vice-president and J. D. Dux of Sioux Falls secretary. Guy Erickson of Pierre was made chairman of the legislative committee.

Much of the afternoon session was spent discussing ways and means of promoting an agency qualification bill at the next legislature. The organization has had a 50 percent increase in membership. Plans were discussed for continuing the membership campaign. It is believed that many more agents can be brought into the fold. The outlook is very encouraging. The South Dakota body is now in fine shape.

In the evening a good fellowship dinner was held at which the chief speakers were C. M. Cartwright of THE NATIONAL UNDERWRITER and Walter H. Bennett, secretary National Association of Insurance Agents. Mr. Bennett reviewed the work of the National association during the year, telling some of the main achievements and outlining the five-year development plan. The president and secretary were authorized to formulate a list of regional vice-presidents.

#### Banghart's Territory Extended

Eastern New York has been added to the territory covered by Charles P. Banghart, special agent of the Scottish Union & National. Floyd H. Pease has been appointed to assist Mr. Banghart.

#### Upton Is General Agent

The appointment of George A. Upton as general agent of the New York department of the Underwriters Salvage Company is announced. Mr. Upton assumes the position equipped with 18 years' experience in handling salvaged merchandise in New York City, Pittsburgh and Boston. The past summer he has been associated with Vice-presi-

## FORCED RESIGNATION OF MONK BROUGHT UP

### LUNING OFFERS RESOLUTION

Condemns Effort to Influence Officials in Performance of Duty—Goes to Committee

RAPID CITY, S. D., Sept. 26.—At the meeting of the National Convention of Insurance Commissioners held Tuesday evening, Commissioner J. C. Luning of Florida presented a resolution regarding the enforced resignation of Commissioner Monk of Massachusetts. It was referred to the committee on resolutions. The Luning resolution is:

"Whereas, Wesley E. Monk, former commissioner of insurance in Massachusetts, one of the most able and valued members of the association, resigned his position as commissioner of insurance of said state in the early part of this month; and

"Whereas, printed reports of correspondence of former Commissioner Monk and the governor and other officials of Massachusetts would indicate that said resignation was caused by the attempt of the governor to have Mr. Monk not promulgate certain rates for the year 1929 for the operation of compulsory automobile insurance in that state, which the law makes it the sworn duty of the commissioner to do, imposing such rates as in the decision of the commissioner are 'adequate, reasonable, just and non-discriminatory,' and

"Whereas, this body views with disapproval any attempt to influence, upon the part of any one in authority, any member of this association to do or perform or to refrain from doing or performing any act which it is the sworn duty of any commissioner to perform in compliance with law, it is therefore,

"Resolved, that the president of this association appoint a committee of three members of this body to prepare suitable resolutions to this convention for the consideration of its members."

Messrs. Luning of Florida, Dumont of Nebraska and Olsness of North Dakota were appointed the committee on resolutions.

dent and General Manager G. F. Stratton in reorganizing the New York division of the Underwriters Salvage Company.

## MANY TOPICS COVERED IN MAINE CONVENTION

### AGENTS IN ANNUAL MEETING

Peabody Elected President—Underwriting Questions Discussed—Demands of Brokers Declared Objectionable

ORONO, ME., Sept. 26.—Eighty-five Maine insurance men gathered at the Penobscot Valley Country Club Tuesday for the annual meeting and banquet of the Maine Association of Insurance Agents. The afternoon session was enlivened by general discussion of a dozen question box queries, while the dinner was followed by addresses by Henry K. Metcalf of Boston, New England manager of the Maryland Casualty, who spoke on compulsory automobile liability insurance, and Jason Westerfield of the publicity department of New York stock exchange.

Annual reports showed various committees had accomplished much during the year, notably in securing from the New England Insurance Exchange a new tariff eliminating objectionable features of the dwelling house schedule, renewal of the suspension endorsement on automobile policies and by conference on automobile liability rates in Maine. Satisfactory adjustment had also been made on stable rates.

The following officers were elected: President, Frank A. Peabody, Houlton; vice-presidents, Herman Suskrant, Portland; Harold W. Bishop, Boothbay Harbor; Walter H. Gardner, Bucksport; secretary-treasurer, C. Waldo Lovejoy, Rumford. Members of executive committee for three years: E. Linwood Jordan, Portland, and Ivan E. Lang, Waterville.

The discussions brought out that the agents felt company officers should take an interest in every loss adjustment. There was a difference of opinion whether an extra charge should be made for household furniture temporarily stored in separate garages or barns as at present or whether one policy should include all. It was deemed the risk was no greater and no extra rate should be charged but that it would be equivalent to writing two risks under one policy if without average clause. It was argued that collision rates should be variable according to the age of a car and its decreased value as in fire insurance.

A canvass showed only 15 agents had used the National association automobile identification cards and there had been only four cases of assistance rendered. No one had used the National association accounting system for agencies. The 75 percent clause and iron safe clause were justified on behalf of Aroostook county alone because of the 113 percent loss ratio there and a direct agreement between companies and agents for its use to keep the companies from refusing to write business in that section of Maine. Complaint was voiced of outside brokers demanding 15 percent on Maine business, leaving the agents but 5 percent, on virtual penalty of losing the business entirely and Maine agents were urged to stand by a uniform brokerage of 10 percent in such cases.

After the banquet Mr. Metcalf went into detail over the operation of the compulsory automobile liability insurance act in Massachusetts.

#### Three More Accept Agreement

To the long list of fire companies accepting the conference agreement of the National Association of Insurance Agents as published in THE NATIONAL UNDERWRITER on Sept. 13 has now been added the Halifax Fire of Nova Scotia, one of the Home group; the National Guaranty of Newark, and the Public Fire, also of Newark.

## CONDENSED NEWS OF THE WEEK

Competent adjusters place Florida storm insurance losses at \$10,000,000. **Page 3**

Commissioner King of South Carolina will fight firemen's injunction in bank agency case. **Page 3**

National Convention of Insurance Commissioners holds its annual meeting at Rapid City, S. D. **Page 3**

West Virginia Association of Insurance Agents memorializes West Virginia Uniformity Association on commission subject. **Page 5**

National Association of Insurance Agents headed toward action requiring members to represent only companies that are not in violation of its principles. **Page 5**

George W. Wells, Jr., resigns as insurance commissioner of Minnesota and is succeeded by Garfield W. Brown. **Page 10**

Commissioner M. A. Freedy of Wisconsin discusses unauthorized insurance at the commissioners' meeting. **Page 8**

The United States Fidelity & Guaranty announces it will incorporate its fire running mate under the New York laws. **Page 5**

Superintendent Beha of New York discusses marine insurance at commissioners' convention. **Page 10**

A. W. Weller is reelected president of the South Dakota Association of Insurance Agents. **Page 4**

Fall meeting of the National Fire Waste Council is being held in Washington, D. C., today. **Page 5**

Commissioner Lewis of South Dakota discusses convention examinations. **Page 16**

T. E. Heald of the Chicago office of the National of Hartford addresses meeting of the Association of Fire Insurance Examiners of Chicago. **Page 8**

Commissioner Caldwell gives his presidential address at Rapid City. **Page 13**

Commissioner Livingston speaks before Commissioners' Convention on "Interstate Insurance," discussed by Superintendent Thigpen of Alabama. **Page 14**

Companies file suits in automobile rate dispute in Massachusetts. **Page 41**

Massachusetts case shows dangers of completion bonds. **Page 42**

Medical school dean raps hospital costs, praises health insurance. **Page 42**

National Surety enters France and Germany for fidelity business. **Page 41**



## WEST VIRGINIA MEN SEEK CONFERENCE

Ask for Further Parley With  
Members of Company  
Committee

## WANT MORE COMMISSION

Declare That Agents Must Have Sufficient  
Compensation to Earn Profit  
on Their Operations

CHARLESTON, W. VA., Sept. 26.—President A. J. Kincaid of the West Virginia Association of Insurance Agents transmitted this week a copy of the report of the executive committee to W. Ross McCain, vice-president of the Aetna and chairman of the supervisory committee of the West Virginia Uniformity Association, that was authorized at the special meeting of the West Virginia agents which was held in Parkersburg, Sept. 10. Prior to that, Insurance Commissioner Sam T. Mallison of West Virginia and the conference committee of the West Virginia association had met the company supervisory committee in New York City. It was then agreed that if both the company and agency organization approved, the company members of the West Virginia Uniformity Association would transmit to their West Virginia agents copies of the Eastern Underwriters Association agency contract and commissions, which allows 20 percent flat or 15 and 25 percent in clear agencies and 15 and 25 percent only in mixed agencies. West Virginia agents figured as a rule mixed offices would receive an average of 17½ percent, owing to the large amount of coal and other special hazard business in the state.

### Would Withdraw the Suit

Mr. Mallison furthermore agreed to withdraw the suit whereby an injunction was secured restraining the companies from putting into effect the separation contract. West Virginia agents representing companies belonging to the West Virginia Uniformity Association are paid 20 percent flat. The companies objected to the presence of non-association companies in the same agency, declaring that they were paying higher commissions and thus diverting the

## WILL INCORPORATE NEW COMPANY IN NEW YORK

### U. S. F. & G. TELLS ITS PLAN

R. Howard Bland Will Head Board of  
Casualty Carrier's Fire Run-  
ning Mate

It is announced that the United States Fidelity & Guaranty has decided to incorporate its fire running mate under the laws of New York instead of under the laws of Delaware. The company has published its intentions. The name of the new company will be the United States Fidelity Fire. It will have capital of \$2,000,000. The company will be organized to write all classes under the fire and marine sections of the New York insurance law. The incorporators are:

R. Howard Bland, president of the U. S. F. & G., who will be chairman of the board of the fire company; and John Kemp Bartlett, Edwin W. Levering, Jr., George M. Shiber, Charles B. Gillett, Alonzo Gore Oakley, William J. McArthur, Edgar Allen Poe, Carl Ross McKendrick, Robert D. Bartlett, Sidney Hall, Charles L. Phillips and J. Pabb Robertson.

choicest business to them. Therefore, the Uniformity Association notified agents that mixed agencies would receive but 10 percent flat. This drew the ire of the West Virginia Association of Insurance Agents and the state insurance department, resulting in the insurance commissioner securing an injunction suit which blocked the companies from putting into effect the new contracts. Considerable feeling was engendered on both sides.

### Report of the Committee

The executive committee of the West Virginia Association of Insurance Agents in its report said:

"The executive committee of the West Virginia Association of Insurance Agents, district vice-presidents, presidents of several of the local boards and a number of individual agents of the entire state with all its relative sectional interests and business conditions met in conference in Parkersburg this date, Sept. 10, 1928, pursuant to the circular letter call issued by President A. J. Kincaid under date of Aug. 21, 1928.

"After careful and diligent consideration of the subject matter brought to their attention in the report of the con-

## FIRE WASTE COUNCIL IS IN SESSION TODAY

### IN NATIONAL CHAMBER ROOMS

Three Papers on Fire Prevention Sub-  
jects Presented—One Deals with  
Model Arson Law

The regular fall meeting of the National Fire Waste Council is being held at the headquarters of the Chamber of Commerce of the United States today (Thursday). William Butterworth, president of the National chamber, will open the meeting, which will be preceded by sessions of several of the council's committees.

The agricultural committee met in Chicago Sept. 20 to pass finally on a report on rural fire departments prepared by a subcommittee assigned to that subject. Another main item on the agenda was consideration of the farm fire prevention handbook which this committee is to sponsor jointly with the farm fire protection committee of the National Fire Protection Association.

On Sept. 27, the contest committee, the fire and casualty statistics committee, the manufacturers committee and the executive committee of the council will meet in Washington. Of particular interest is the meeting of the manufacturers committee, recently expanded to include representatives of a number of basic industries.

In addition to the reports of committees, three addresses will feature the meeting of the council. "Gauging the Severity of Building Fires" will be the subject of an address by Dr. S. H. Ingberg of the United States bureau of standards. Dr. Frank A. Fall, director of education and research of the National Association of Credit Men, will speak on the subject "Developing a Positive in Fire Prevention." "The Model Arson Law" will be the subject of an address by F. R. Morgaridge of the National Board of Fire Underwriters. The council has been taking an active part in the movement to obtain widespread and uniform adoption of the model arson law, and Morgaridge's address is expected to assist materially in the campaign to be conducted among the 45 state legislatures meeting this year.

ference committee of this association which met the supervisory committee of

(CONTINUED ON PAGE 52)

## AGENTS' BODY WILL CAUSE SEPARATION

Wants Only Loyal Members to  
Remain in Its Ranks  
Hereafter

## DE VAN WAS OUTSPOKEN

Program at West Baden Was Strong  
One But the Schedule Was  
Too Crowded

The annual meeting of the National Association of Insurance Agents at West Baden, Ind., last week closed in a blaze of glory. The administration undoubtedly has the support of the active leaders of the organization. The one thought uppermost in the minds of many members is the determination on part of the association to rid itself of members representing companies that are in violation of the Milwaukee declaration and conference agreement. The Firemen's of Newark, Girard and Northwestern National have been on the gridle in the past and now the National Union of Pittsburgh is added to the list.

### Course That Will Be Pursued

The officers undoubtedly feel that it would be impossible at this time to pass a rigid prohibitory edict demanding that agents representing outlaw companies resign them. That would be regarded as smacking of the dictatorial. Many people do not relish prohibition. Rather the National association will say to a state organization that if it permits its members to represent outlaw companies the protecting arm of the parent body will be withdrawn. Many members declare that the National association must stand for its rights and not permit on its membership rolls agents representing companies that are officially declared in violation of the National association's fundamental principles.

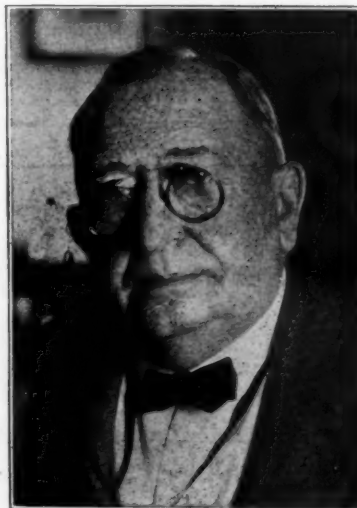
### DeVan Outspoken in Allegiance

When President R. P. DeVan assumed his office at West Baden he announced firmly that he is not representing and will not represent companies in violation of the association principles. He went further and said that he would not place any business which his office controlled in such company. His senti-

## PROMINENT FIGURES AT MEETING OF INSURANCE COMMISSIONERS



ALBERT S. CALDWELL, Tennessee  
President of the Convention



JOSEPH BUTTON, Virginia  
Secretary of the Convention



CHARLES R. DETRICK, California  
First Vice-President of Convention



DON C. LEWIS, Pierre  
South Dakota Commissioner



ment was reaffirmed by Clyde B. Smith of Lansing Mich. the new executive committee chairman, who declared that no loyal association member should represent such companies. J. W. Cook of Providence, R. I., stated that a meeting of the committee of the New England association comprising the officers of the associations of the New England states would shortly meet and undoubtedly adopt recommendations in order to get in line with the National association desires.

#### Start on Militant Era

At the executive session feeling ran very high. It seemed indicative of a

militant era on which the organization is entering. When a membership standard is established there will be a defection from the association ranks. Many members representing so-called outlaw companies feel under obligations to them and will hold to them. However the leaders evidently feel that the National association membership should be based on strict loyalty to its principles.

#### Strong Program Presented

The administration deserves credit for furnishing a program of great worth and one that received plaudits on every side. There were men of eminence who went to West Baden and delivered messages

of value. The only criticism that can be made is that there were too many items jammed into the schedule of the business sessions. It meant solicitude on part of the presiding officer, he realizing that much time was being consumed. A far better impression would be conveyed if for example the program had been reduced one-third. The morning session should not last longer than 12:15 o'clock. When people are asked to sit for three hours or more it is too much of a physical endurance. The afternoon session should close at 4:15 or at the latest 4:30 o'clock. At the close of the first session Wednesday morning a discussion arose as to the

writing of contract bonds. That was a very important matter and one in which agents took a keen interest. Yet the discussion had to be closed abruptly because the session had gone too long. Program makers as a rule overload the schedule.

The meeting of the executive committee and the state officers on Tuesday of convention week and the executive session held this year permitted members to let off steam and speak their minds. This undoubtedly rather militated against much spontaneity in the open sessions. The program was so full that there was no time for discussion. It would have been a most profitable symposium had Editor Glenn Griswold of the Chicago "Journal of Commerce" been allowed to conduct an open forum after his address in which he introduced some highly controversial points. However there was not time for it. Many members would be much more satisfied if a greater amount of time were given to forum discussions so that there could be an exchange of opinion.

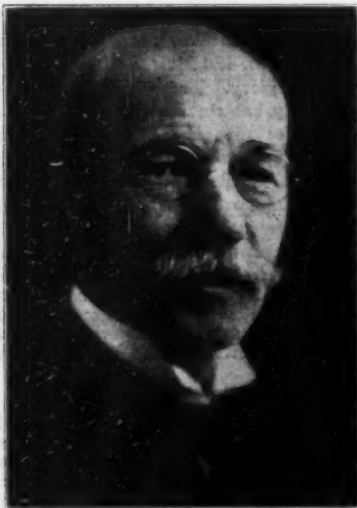
#### Harrington Leaves a Hole

The retirement of W. Eugene Harrington as president removes from the administration a most useful and valuable official. He has served on the executive committee for three years, one of which he was chairman. There was no finer combination than Harrington as president and DeVan as executive committee chairman. That team was recognized as a very harmonious and effective one. During the time the two men have worked together there was formed a very close personal friendship. The tribute that Mr. Harrington paid to Secretary Walter H. Bennett at the closing session drew forth an outburst of applause and caused members to rise to their feet to honor a faithful, able and farseeing official, who is keeping the craft on an even keel.

W. B. Calhoun of Milwaukee, official song leader, was called upon by Presi-

(CONTINUED ON PAGE 55)

## NEW EXECUTIVES CHOSEN AT MEETING OF WESTERN UNION



W. B. FLICKINGER  
Philadelphia Fire & Marine  
President



J. R. WILBUR  
America Fore Group  
Vice-President



FRED B. LUCE  
Providence Washington  
Acting Secretary

# American Equitable Assurance Company of New York

92 WILLIAM STREET

JULY 1st, 1928, STATEMENT

### ASSETS

|                                    |                |
|------------------------------------|----------------|
| Bonds and Stocks .....             | \$5,627,887.02 |
| Premiums and Accounts Receivable.. | 386,896.96     |
| Reinsurance Receivable .....       | 89,542.10      |
| Interest Accrued .....             | 3,364.74       |
| Cash on Deposit.....               | 2,398,998.18   |
|                                    | <hr/>          |
|                                    | \$8,506,689.00 |

### LIABILITIES

|  |                |
|--|----------------|
| Reserve for Unearned Premiums.....     | \$1,906,085.43 |
| Reserve for Losses .....               | 308,326.60     |
| Reserve for all other Liabilities..... | 766,186.43     |
| Reserve for Contingencies.....         | 1,000,000.00   |
| Capital .....                          | \$2,000,000.00 |
| Surplus .....                          | 2,526,090.54   |
|  | <hr/>          |
| Surplus to Policyholders.....          | 4,526,090.54   |
|  | <hr/>          |
|  | \$8,506,689.00 |

Losses Paid Since Organization Exceed \$20,000,000

CORROON & REYNOLDS, Inc.

Manager

92 William Street, New York City

# DIVIDING THE DAMAGES DOESN'T LESSEN THE LOSS

12 ) \$ 410,291,233 LAST YEAR

30 ) \$ 34,190,936 EVERY MONTH

24 ) \$ 1,139,698 EVERY DAY

60 ) \$ 47,487 EVERY HOUR

60 ) \$ 791 EVERY MINUTE

\$ 13 EVERY SECOND



## This is Everybody's Problem

Today, during your lunch hour, property valued at \$47,487 will be needlessly destroyed by fire.

What are you doing to prevent it?



*Fire Prevention Week is October 7-13*

It is your opportunity to demonstrate your leadership.



*"The Glens Falls Fleet"*

**COMMERCE**  
INSURANCE COMPANY  
Glens Falls, N. Y.







## The Impassable Wall

**FIRE** can destroy the four walls, the floors, the physical elements of a building.

But the landlord's income is always protected against its greedy fangs by a Rent Insurance Policy. The property owner is shielded from the extra cost of temporarily renting new premises by a Rental Value policy. And the holder of a valuable lease rests secure behind the protection of a Leasehold policy.

Most important of all, these policies form an impassable wall that protects the business reputation of the agent. When the fire has died down, the agent whose foresight provided this complete coverage wins the gratitude and respect of his client.

Which is an invaluable reward for the small effort necessary to properly sell the various forms of Rent Insurance.

**THE LIVERPOOL  
AND LONDON  
AND GLOBE  
Insurance Co Ltd**

Executive Offices: 1 Pershing Square  
Park Ave. at 42nd St., New York, N. Y.

Pacific Coast Dept., San Francisco

80th  
Year in the  
United States

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

## CHICAGO EXAMINERS HEAR T. E. HEALD

Loss Expert in Chicago National  
Office Speaks at Monthly  
Dinner Meeting

### WARNS OF FALSE CLAIMS

Points Out to Hearers How They Can  
Assist Companies in Detecting,  
Preventing Fraud

T. E. Heald, superintendent of the loss department in the Chicago office of the National of Hartford, guest speaker at the monthly meeting of the Association of Fire Insurance Examiners of Chicago, told his hearers how they can cooperate with all other department representatives of their companies to prevent payment of fraudulent claims, and also how they can prevent company-assured controversies. In part he said: "There was a time when companies paid less attention to loss adjustments than is now the case. Company executives today realize that loss matters will not take care of themselves, and in fact require careful attention. As a result there have been some improvements in the manner in which losses are handled.

"I have been impressed by the large number of claims and the large amounts involved in fraudulent claims, and it is my conviction that there must be less compromising of claims of this character and more united action on the part of the companies in resisting such claims to the court of last resort if these dishonest claims are to be reduced to a minimum. It has been said that there is a time when any disputed claim can be advantageously compromised. Possibly that is correct so far as claims involving no question of moral hazard are concerned, but not where arson on the part of the insured is involved.

#### Oil as Fuel Hazardous

"Fire insurance policies provide indemnity for damage by 'hostile fires.' The question as to what constitutes a 'hostile' fire as distinguished from a 'friendly' fire is presented frequently. The general rule is that if a fire occurs outside of the limits where fire is intended to be it is a hostile fire. Quite a simple rule, yet the circumstance of no two claims involving this question are the same, and in recent years since oil burners have come into such common use in heating plants, claims for smoke and soot damage from defective operation of the burners cause considerable controversy. It is difficult to satisfy an insured who has sustained a serious loss of this nature that he has no claim under his fire policy. There is a difference of opinion among authorities whether in the case of an oil burner installed in a heating plant originally intended to burn coal, if the oil leaks into the ash pit and burns there, the fire in the ash pit is a hostile or a friendly fire. Some companies have recognized such ash-pit fire as hostile fire, basing such action on the fact that the fire is not intended to be there. But majority opinion seems to be that if the fire is confined to the furnace, which, of course, includes the ash pit, it is a friendly fire, but if the burning oil runs out on the furnace-room floor the fire on the floor outside of the furnace is a hostile fire, for damage by which a company is liable. It has been suggested that this oil burner hazard might be taken care of by endorsement and an additional premium charged, but this

(CONTINUED ON PAGE 52)

## LABELS UNAUTHORIZED INSURANCE GREAT EVIL

Commissioner Freedy of Wisconsin Speaks at Rapid City Convention

### PROBLEM 40 YEARS OLD

Moral Suasion Most Effective—Says  
Commissioners Should Be Given  
Some Legislative Power

Labeling the curbing of unauthorized insurance as the most serious and difficult problem today before the insurance commissioners, Commissioner M. A. Freedy of Wisconsin spoke before the National Convention of Insurance Commissioners at Rapid City on that subject this week. He said that unauthorized insurance is not a new problem, as the original action against it was taken at the annual meeting 40 years ago. At that time, however, the problem was very minute, while at the present time, Commissioner Freedy said, there is some form of unauthorized insurance operating in practically all parts of the United States. Commissioner Freedy's speech in part follows:

#### Divided Into Classes

"Before entering upon a general discussion, we should probably divide unauthorized insurance companies into three classes:

"1. That class which is licensed in no state of the Union and which refrains from operating in the state of its domicile;

"2. That class of legitimate companies licensed in a number of states, but not in all in which they operate (surplus line companies).

"3. That class which complies with the laws of its home state, but makes no effort to comply with the laws of other states, and solicits all outside business by mail."

In 1903 Illinois officials brought action against the first class of companies doing business in Illinois. In the litigation that resulted, the lower court held that maintaining an office in Illinois and the writing of risks located outside of the state was doing business in Illinois. In Ohio, the court held to the same opinion, said Mr. Freedy. In 1903 the National Convention of Insurance Commissioners went on record as favoring a national law by Congress denying the use of mails to companies which did not comply with the insurance laws of the states of their domicile.

Commissioner Freedy then quoted the recommendations adopted by the committee on unauthorized insurance in 1909. He also quoted President James R. Young's speech at the 1914 annual meeting containing many forceful suggestions on the subject.

In discussing the more recent action in curbing evil of this class of unauthorized companies, Commissioner Freedy said:

"In the proceedings of 1923, we find the suggestion offered that the following be incorporated into the laws of the various states:

"That if any domestic fire insurance company or association of this state shall insure property in another state without first obtaining a license to do business therein, the insurance commissioner of this state will revoke the license or deny a renewal of license of such insurance company to do business in this state."

"That would institute comity between

(CONTINUED ON PAGE 54)





### THE BALL THAT BOUNCED

\*\*\*

AS EARLY as 1601 when Cortez, the Spanish explorer, visited Mexico, he found the natives playing a game with a most curious ball "that would fly and bound almost as though it were alive" and which was "made of the white juice of a tree that grows in hot countries." The natives called this "caoutchouc," a word derived from the names of the trees producing it; but it was not until almost two hundred years later when the English chemist, Joseph Priestly, discovered that this same milky juice would erase pencil marks that it received its present name of rubber. And sixty-five more were to pass before Charles Goodyear, through his discovery of vulcanization, made its use practical.

Although science has multiplied the uses of rubber a



Native Tapping Rubber Tree, Tehuantepec, Mexico

### THE BALL THAT BOUNCED

(Continued)

hundred fold, native rubber gatherers, as in the days of Cortez, still tap the great trees for the valuable "white juice" which today forms the basis for the sixth most important industry in the United States.

Nature has placed priceless commodities at man's disposal. But it is the same Nature whose sudden caprices bring destruction on man's enterprises. Fire and lightning, hail, rain, earthquakes, windstorms and tornados, what havoc have they wrought! Agents should convince their clients of the wisdom of providing themselves with protection against losses from natural calamities. THE SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY writes policies on practically all kinds of insurance except life and casualty and invites agents to seek its aid in solving their insurance problems.

### SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS, U. S. A.  
GEORGE G. BULKLEY, President

Western Department  
HARDING & LININGER, Managers  
Chicago

Pacific Department  
GEORGE W. DORNIN, Manager  
San Francisco



## BEHA TRACES DEVELOPMENT OF MARINE INSURANCE AT COMMISSIONERS' MEETING

RAPID CITY, S. D., Sept. 26.—"Present Day Marine Insurance" was the topic discussed by Superintendent James A. Beha before the National Convention of Insurance Commissioners. The New York superintendent said that the two outstanding developments in American marine insurance in recent years were the formation of the American marine insurance syndicates and the advancement of favorable legislation.

"These," he said, "were both sound and forward steps in the interests not only of American marine insurance, but also in the interest of American commerce generally. They represent efforts on the part of American marine insurance underwriters and certain progressive state legislatures to carry out specific recommendations made by the subcommittee on merchant marine and fisheries to the House of Representatives of the United States in its report of 1920 and in its memorial addressed the same year to this National Convention

of Insurance Commissioners, as well as to the governors of all the states.

### Companies Form Syndicates

"The marine insurance companies promptly followed the directions of the subcommittee and with the approval and cooperation of the United States Shipping Board formed the 'American Marine Insurance Syndicates' in order to provide greater marine insurance facilities for the protection of American vessels engaged in oversea or in domestic trade.

"The organization and continued successful operation of these syndicates constitute the reply of the American marine insurance interests to the subcommittee's recommendation for self-help and cooperative action.

"Substantial progress may also be recorded in respect to the removal of unnecessary legislative restraints. The principal recommendation of the subcommittee in this respect was for the substitution of a system of net profits

taxation in place of the existing system of taxing premiums. The theory behind this recommendation was that substitution of a profits tax in place of an excise tax, would strengthen our own companies in their competition with foreign insurers, as the removal of an adverse cost differential must ultimately find reflection in lower rates of insurance.

### Too Radical a Departure

"Other recommendations of the subcommittee for legislative liberalization included (1) the establishment of the multiple-line principle, (2) the enlargement of reinsurance facilities, and (3) the removal of general limitations upon the financial powers of American companies, which were indicated to be hampering their operations in foreign fields.

"Now, much as I sympathize with the aims and purposes of the subcommittee, still, the multiple-line principle represents too radical a departure from established procedure. It is an unnecessary lowering of the established and successful standards of safety and would in no way add to the progress and success of insurance.

"Reinsurance facilities were automatically expanded by the formation of

(CONTINUED ON PAGE 55)

## COMMISSIONER WELLS OF MINNESOTA RESIGNS

### GOES WITH LIFE COMPANY

Is Succeeded by Garfield W. Brown, Now State Public Examiner of Minnesota

ST. PAUL, Sept. 26.—George W. Wells will retire Oct. 15 as state insurance commissioner and fire marshal and will be succeeded by Garfield W. Brown, at present state public examiner. Both Mr. Wells and Mr. Brown are this week attending the meeting of the National Convention of Insurance Commissioners at Rapid City, S. D.

Mr. Wells will become secretary of the Northwestern National Life of Minneapolis, succeeding Maurice V. Jensen, resigned. It is known that Mr. Wells has for some time been desirous of giving up his state work and entering the insurance business, but because of family and business reasons he did not want to leave Minnesota. It was for



GARFIELD W. BROWN  
New Minnesota Commissioner

that reason that he declined appointment as director of the insurance department of the Chamber of Commerce of the United States when offered him some months ago.

### With Department Since 1921

Mr. Wells entered the service of the state insurance department in April, 1921, as an examiner and was later appointed deputy commissioner. Previously he had been attorney for the State Securities Commission. In 1922 he was appointed insurance commissioner by Governor J. A. O. Preus to fill the unexpired term of Gustaf Lindquist. He was reappointed Jan. 1, 1923, by Governor Preus and again in 1925 by Governor Christianson. He had the distinction of being the youngest state official of Minnesota. During his long term of office Mr. Wells has taken a prominent part in the activities of the National Convention of Insurance Commissioners.

Mr. Brown, the incoming commissioner, has never been actively identified with the insurance business. He is a lawyer by profession, 47 years old and has served in the state legislature and as probate judge of McLeod county, Minn. He has been state public examiner since 1921. He comes from Hutchinson, Minn., where he practiced law. He served in the army, attaining the rank of major.

Entry to Pennsylvania, California, Kentucky and Tennessee has been secured by the Sussex Fire of Newark.



## FIRE! FIRE!

And what results?

First, there is property damage bringing reconstruction costs, all of which may be covered with fire insurance.

Next, if damaged sufficiently, the building may be rendered untenable until repairs are completed. This may mean, if occupied by the owner, renting until ready for occupancy. If occupied by a tenant, this may result in a vacant house or apartment until reconstructed. But again, insurance is possible—Rent or Rental Value according to the need.

If a dwelling, another loss will be in furnishings, but this may be covered with Household Furnishings Insurance.

If a business house, factory or store, loss of the building may force the occupant to stop business temporarily. Business Interruption (Use and Occupancy) Insurance is the protection.

All of this is for but one purpose—to show you how many other lines of insurance your fire client needs. He is your best prospect for Rent and Rental Values, Household Furnishings and Business Interruption Insurances according to the nature of the property. And do not forget Windstorm Insurance, for he is logically a first class prospect for that, also.

The Franklin Fire Insurance Company has available for its agents folders and other advertising material to help boost sales. They'll do it, too, if you send for them and use them.

The FRANKLIN FIRE INSURANCE COMPANY  
OF PHILADELPHIA

ORGANIZED APRIL 1829

CASH CAPITAL \$1,000,000







THE hotel has become a distinct factor in promoting contacts and facilitating business transaction. The increasing use of capital and credit resulting from the present ease of negotiation brings insurance ever into greater significance.

The Red Royal Shield on an insurance policy gives confidence that business, so covered, is being conducted on safe ground.



Sherry-Netherlands, Savoy-Plaza, New York

Ewing Galloway

# ROYAL

## INSURANCE COMPANY, LTD.

### DEPARTMENTAL OFFICES:

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Elwin W. Law, Manager

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William Mackintosh, Manager

BOSTON, MASS.

Field & Cowles, Managers

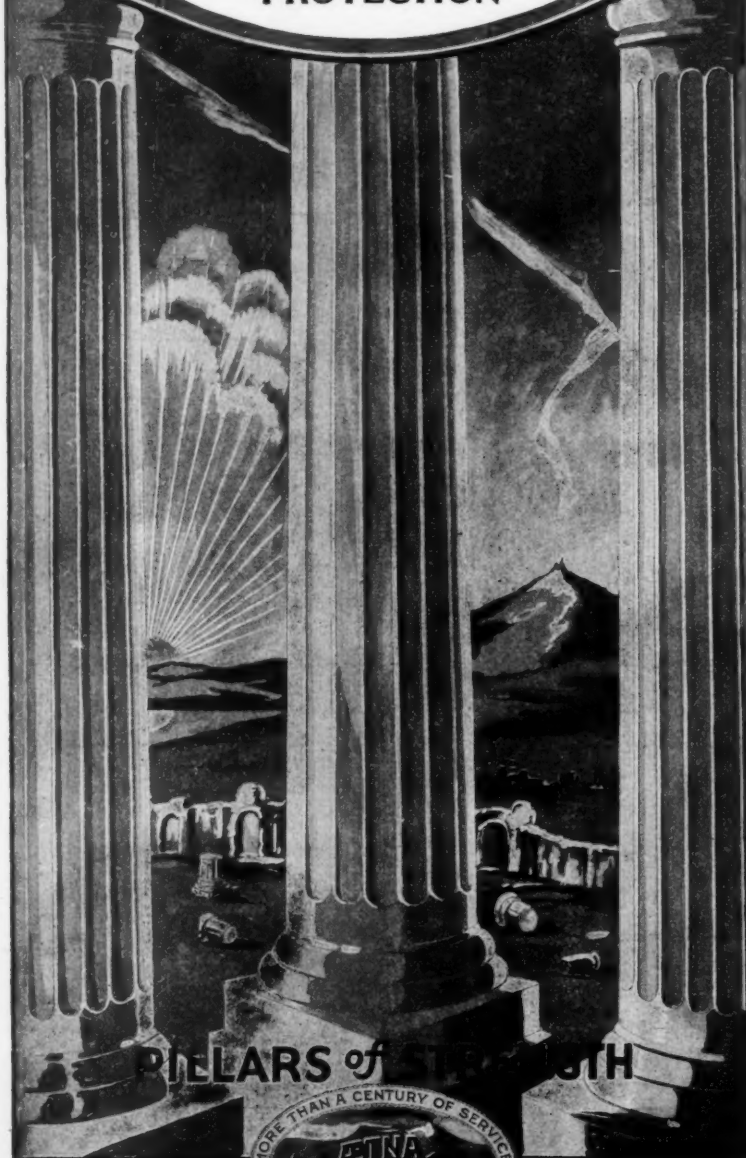
SAN FRANCISCO, CAL.

H. R. Burke, Manager



## THE ÆTNA FIRE GROUP

Three Strong Companies  
Providing Dependable Insurance  
in FIRE and ALLIED LINES  
and in CASUALTY and SURETY  
PROTECTION



PILLARS OF STABILITY



**ÆTNA**  
(FIRE)  
**INSURANCE COMPANY**  
THE WORLD FIRE &  
MARINE INSURANCE CO.  
THE CENTURY INDEMNITY CO

## CALDWELL EMPHASIZES SUPERVISORY DUTIES

Tennessee Commissioner Renews  
Appeal for Uniform State  
Insurance Laws

### CHANGES TOO FREQUENT

Necessity of Regulation Demonstrated  
By Results of Recent Convention  
Examination, Says President

RAPID CITY, S. D. Sept. 26.—In his presidential address before the National Convention of Insurance Commissioners here this week, President A. S. Caldwell of Tennessee stressed the importance of a commissioner's duty in supervising the insurance business of the country.

"There is no business today so thoroughly supervised and no business where integrity of management is so essential to financial success, as is the great business of which you are the guardians.

"Our modern systems of insurance are not merely forms of commercial business. They are also vastly important instrumentalities of social service. The scope of this service is not appreciated unless its psychological as well as its economic influence is adequately recognized. The commodity which insurers offer for sale is freedom from worry. A great insurance company should be thought of as a direct creator of widespread human happiness through its sales of peace of mind, without which happiness is impossible.

#### Importance of Duties

"It is an essential condition of the peace of mind of the great body of the insuring public that all shall feel absolutely protected against any failure of payment according to contract. It is a public calamity if those who have made sacrifices for years to pay premiums are finally defrauded of the protection they have paid for. Therefore in every state of the Union an administrative organization is provided to exercise public supervision over the conduct of the insurance business within the several states.

"It would be impossible to estimate adequately the money value of the reputation that the state's influence has over such supervision for sound insurance. Hence the reason of laws regulating the supervision of insurance companies, which laws require that examination be made periodically of insurance companies operating in the several states. Therefore, the commissioner incurs a weighty responsibility to the insuring public for the soundness of all companies admitted by him.

#### Necessity Has Been Shown

"The necessity of such regulation and supervision, especially laws requiring periodical examinations of all companies, has recently been brought very forcibly to the attention of insurance companies, supervising officials, as well as the insuring public, by a recent convention examination made of a company, which examination brought out startling facts concerning the management—or rather mismanagement—of the company's affairs to such an extent that the business of the company was compelled to be reinsured, and I wish here to commend the several supervising officials participating for the splendid service rendered by the way they handled the examination, whereby they were able to fully protect the interest of the policyholders and stockholders, as well as to establish confidence in the

great business of life insurance. Notwithstanding the crookedness disclosed in the management of the company by some of the officials—supposedly for personal gain—nevertheless even this did not affect the protection of the policyholders one dollar, proving most conclusively the wisdom of strict laws and regulation as provided by all states. I dare say there is no other business that offers such absolute safety and protection to investors as does the great business of insurance, principally because of the strict supervision of the several states.

"Hence, the duties of the insurance supervisors are of infinite variety and often of great difficulty, including as they do the supervision of all companies licensed to do business within their states, which duties also require that they see that the investments of the companies are in securities of unquestionable value, and that they are within the requirements of the law.

"These are but a few of the duties imposed upon the supervising officials alike in the several states. There is much similarity and uniformity in the methods of procedure and the means adopted for the regulation and supervision of insurance companies and agents.

#### Urges Uniform Laws

"I am of the opinion that the uniformity of insurance laws will prove to be of the greatest benefit to the people of this country. The policyholder is directly interested in the final results of uniform laws and rules respecting the supervision of insurance. Each departure from such uniformity places additional burdens of administration and expense upon the company, and this in the end must be reflected in the cost of insurance.

In my last annual address before the commissioners' meeting held in Cincinnati, in September, 1927, I recommended that a committee from this convention be appointed to confer with a similar committee of the American Bar Association, with the view of bringing about more uniform legislation affecting all states, alike, particularly the fundamental laws, and I wish to reiterate that statement again.

#### Frequent Changes Bad

"We have not yet attained the ideal, but in our reflections upon this subject we cannot fail to stress the importance of the constant influence exercised during all these years by the National Convention of Insurance Commissioners in originally exploring the field of uniform legislation and supervision. The chief function of the insurance commissioners, to my mind, should be to execute the laws as they exist, without fear or favor.

"In our annual convention we regret that each year we note the mortality that has occurred in our ranks. This year is no exception, and while we miss and regret the absence of former commissioners, whom we held in high esteem, we are glad, in many instances, that they through their experience have entered into higher fields of endeavor.

"I feel that there is a vital need of stability in the tenure of officers and supervisors of insurance. This perpetual rotation in office is not conducive to stability in supervision.

"When the general insuring public can be brought to a realization of the true fundamental character of insurance as an institution; then will that public recognize the fact that it should for its own protection cooperate not only with its supervising officials, but also with the companies themselves."

#### Pacific Board Meeting

SAN FRANCISCO, Sept. 26.—The semi-annual meeting of the Pacific Board will be held at Del Monte Nov. 8. The Liberty Bell has made application to the Pacific Board to appoint Henley, Scott & Burgard as its Pacific coast representatives in place of H. M. Newhall Company. The application of the Sussex Fire for admission to the Pacific Board was approved, with Carl N. Corwin as Pacific coast representative.

**BRITISH AMERICA**

Assurance Company

Toronto, Canada

Incorporated 1833

**CITY**

Insurance Company

of Sunbury, Pa.

Incorporated 1870

**WESTERN**

Assurance Company

of Toronto, Canada

Incorporated 1851

**UNITED STATES  
Merchants & Shippers  
Insurance Company**

of New York

Incorporated 1866

**CRUM & FORSTER  
MANAGERS**

110 William St.

New York City

**DEPARTMENT OFFICES**Western Dept.  
FREEPORT, ILL.Southern Dept.  
ATLANTA, GA.Pacific Dept.  
SAN FRANCISCO, CAL.North Carolina Dept.  
DURHAM, N. C.Allegheny Dept.  
PITTSBURGH, PA.**UNION FIRE**

Insurance Company

of Buffalo, N. Y.

Incorporated 1874

**UNITED STATES FIRE**

Insurance Company

of New York

Incorporated 1824

**NORTH RIVER**

Insurance Company

of New York

Incorporated 1822

**WESTERN NATIONAL  
FIRE**

Insurance Company

of Fargo, N. D.

Incorporated 1919

**RICHMOND**

Insurance Company

of New York

Incorporated 1907

**METROPOLITAN FIRE**

Insurance Company

of Chicago, Ill.

Incorporated 1903

**ALLEMANNA FIRE**

Insurance Company

Pittsburgh, Pa.

Incorporated 1868

**BUCKEYE NATIONAL**

Insurance Company

of Toledo, Ohio

Incorporated 1912

**NEW YORK STATE  
FIRE**

Insurance Company

of Albany, N. Y.

Incorporated 1836





## There's worthwhile beauty in these business-like desks of steel

A GOOD looking office undeniably radiates prosperity. It creates a pleasant, business-like atmosphere, that bespeaks dignity, efficiency, success.

GF desks of steel, with their beauty of line and deep rich finish, go a long way towards making an office attractive and altogether liveable.

In the private office, or the larger general office, they contribute not only good looks, but exceptional utility and the lasting durability that only steel can possess. And the restful Velvolum top is an ideal writing surface.

These are reasons why such fine desks have won places in the offices of so many firms whose names are household words throughout America.

Another reason is this—their cost is exceptionally low.

**THE GENERAL FIREPROOFING COMPANY**  
Youngstown, Ohio Canadian Plant, Toronto  
BRANCHES AND DEALERS IN ALL PRINCIPAL CITIES

The GF Allsteel Line: Safes • Filing Cabinets • Sectional Cases • Desks • Tables • Shelving • Transfer Cases • Storage Cabinets • Document Files • Supplies



Attach this coupon to your firm letterhead

THE GENERAL FIREPROOFING COMPANY • Youngstown, Ohio N. U.

Kindly send me a copy of the GF Allsteel Desk Catalog.

Name \_\_\_\_\_ Firm \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

## INTERSTATE BUSINESS STANDARD IMPERATIVE

Commissioner C. D. Livingston  
Traces Developments of Troublesome Insurance Problem

### THIGPEN GIVES OPINION

Marine Insurance Solves Interstate Question but Inadequate Definitions and Regulations Cause Friction

RAPID CITY, S. D., Sept. 26.—“Interstate Insurance” was the subject of the address given by Commissioner C. D. Livingston of Michigan before the National Convention of Insurance Commissioners here this week. Commissioner Livingston traced the history of the development of marine and fire insurance laws. The present marine laws are very similar to the original ones adopted in England when the United States became a nation. Fire insurance, said Mr. Livingston, developed locally for a great number of years and it was not until recent years that interstate insurance became important.

“The first step in interstate ownership,” said Mr. Livingston, “was the consolidation of factories and similar lines of business which were commonly known as ‘trusts.’ Fire insurance companies were also affected by the anti-trust legislation. The competitive age of yesterday has been replaced by an age of cooperation with interest of the public guarded by proper administrative supervision.”

#### Changes in Distribution

Mr. Livingston then spoke of the changes in the method of distributing merchandise in the United States within the last 20 years. The retail stores are now buying stock from day to day. The chain system is extended all over the country and does 12 percent of the total retail business in the United States according to the commissioner. The chain department stores which figure greatly in retail business raise the percentage to 16 or 17. It has been estimated that the independent stores do only 63.75 percent of the retail business in the country. There has been an estimated increase each year in the chain store business of about 10 percent.

#### Has Felt Changes

“The fire insurance business has itself felt these changes,” continued Mr. Livingston. “Years ago, local organizations of insurance agents controlled the rate making, each in its own city. Gradually the territory controlled was extended to include county, then districts, and then finally entire states. Beyond this point the companies have not been able to go. Much thought has been given to devise a plan whereby these state ratemaking organizations and their necessary supervision by the state departments could be fitted into a plan which will conform to the changed condition of business of which I have spoken.”

“Big corporations hampered by an absolute lack of facilities for insuring their property scattered throughout many states with values small and daily changing, except through a complex, slow and inefficient manner, necessarily tried to devise some way of overcoming their handicap. Neither states nor companies which obeyed state laws could offer help in the solution of the problem.”

“Here was a vast volume of fire insurance premiums, estimated today by some to approximate \$25,000,000 annually and with every prospect of being

highly desirable to a company. Needless to say an offering like this was soon met by companies which were willing to violate resident agent and state rating laws, or by those which would not seek admission to our various states but wrote their own contracts as they saw fit, paid no taxes in other than their home states, and gave to big corporations a much more favorable contract and rate than the conforming companies and their local agents were permitted to give. Some companies owe their present financial standing to this disregard of state law.

“Undoubtedly one source of strength of insurance brokers in the great centers lies in their ability to place these non-tariff policies where the local agent can not do so.

#### Marine Insurance Rediscovered

“Five or six years ago, marine departments of those law abiding companies that had been losing business to the non-tariff market suddenly woke up to the fact that the definition of marine insurance was sufficiently general in its terms to include such business that actually should be written under fire insurance policies. Marine insurance by its very nature can not be regulated as fire insurance is. In fact there are only



C. D. LIVINGSTON  
Michigan Commissioner

a few states that have a definition for marine insurance at all and those vary.

“Being subject to little regulation and much less supervision than fire insurance departments, these marine underwriters in self defense started to write exactly the contracts that the non-admitted companies had monopolized. The coverage protects the values of these concerns wherever they happen to be. The coverage is broad and the rate is one based on competition and has no relation to the hazard as measured by standards that fire companies apply to risks in your states and mine. A limited investigation of rates which are used leads me to believe that these concerns pay less than half that would be paid if the risks were written individually, as published by our various rating organizations.

#### Difficult to Fix Tax

“Written as it is, without knowing either the rates or values which should be allocated to the several states, it is impossible to state even if companies were inclined, what premium tax should be paid to our several states.

“As a result, the various states have not received their just taxes, their citizens have been discriminated against and their resident agents have been deprived of proper facilities with which to insure this class of business.

“What are the remedies that we, as supervising officials of this great business, can adopt to correct this injustice?”

“I. We can assist our regularly authorized companies to provide a way to

(CONTINUED ON PAGE 55)





# Globe & Rutgers

## FIRE INSURANCE COMPANY



111 William St., New York City

JANUARY 1st, 1928

| ASSETS   |                        | LIABILITIES                             |                        |
|--|------------------------|---|------------------------|
| Bonds and Mortgages                                      | \$ 149,834.90          | Capital                                 | \$ 3,500,000.00        |
| U. S. Liberty Bonds                                      | 519,200.00             | Surplus                                 | 29,514,599.03          |
| Government, City, Railroad and<br>other Bonds and Stocks | 67,965,477.50          | Reinsurance Reserve                     | 21,794,727.64          |
| Cash in Banks and Office                                 | 3,052,132.11           | Losses in Course of Adjustment          | 9,905,412.00           |
| Premiums in Course of Collection                         | 8,309,190.10           | Commissions and other Items             | 6,974,000.00           |
| Interest Accrued   | 143,939.12             | Reserve for Taxes and Deprecia-<br>tion | 8,505,000.00           |
| Reinsurance Recoverable on Paid<br>Losses                | 53,964.94              |   |                        |
|  | <u>\$80,193,738.67</u> |   | <u>\$80,193,738.67</u> |

Surplus to Policy Holders . . . \$33,014,599.03

Losses settled and paid since organization over \$225,000,000    Losses settled and paid 1927 . . \$21,409,822.82

### ISSUES POLICIES AGAINST

Fire, Marine, Tornado, Earthquake, Flood, Hail, Explosion, Riot and Civil Commotion,  
Sprinkler Leakage, Inland Marine Transportation, Parcel Post, Automobile

*Agents in Canada, Manila, Shanghai, London and Principal European Cities*

E. C. Jameson, President

Lyman Candee, Vice-President  
W. H. Paulison, Vice-President  
J. H. Mulvehill, Vice-Pres. and Secy.  
J. D. Lester, Vice-President

A. H. Witthohn, Secretary  
A. G. Cassin, Assistant Secretary  
J. L. Hahn, Assistant Secretary  
M. J. Volkmann, Local Secretary

### Progress since Consolidation in 1899

|               | Assets        | Reserves      | Surplus       |
|---------------|---------------|---------------|---------------|
| Dec. 31, 1899 | \$529,282.59  | \$28,832.54   | \$2,028.94    |
| Dec. 31, 1910 | 5,255,362.12  | 1,936,224.86  | 2,365,363.37  |
| Dec. 31, 1920 | 42,765,374.55 | 16,593,764.16 | 11,361,311.89 |
| Dec. 31, 1925 | 67,922,096.58 | 20,265,572.73 | 24,161,943.85 |
| Dec. 31, 1927 | 80,193,738.67 | 21,794,727.64 | 29,514,599.03 |

AUTOMOBILE DEPARTMENT  
L. R. BOWDEN,  
95 Maiden Lane, New York City

INLAND MARINE DEPT.  
JONES & WHITLOCK, Agts.  
90 Maiden Lane, New York City

## CONVENTION SCRUTINY INCREASES EFFICIENCY

### LEWIS TALKS AT RAPID CITY

Excellent Supplement to State Supervision—Cognate Argument Against Centralized Government Control

RAPID CITY, S. D., Sept. 26.—Commissioner D. C. Lewis of South Dakota told the National Convention of Insurance Commissioners that he believed the convention system in examinations used extensively in connection with joint and home department examinations will increase the efficiency of state supervision generally. If properly carried out, he said, it will continue to be a cognate argument against centralized supervision by the federal government.

"True," Commissioner Lewis said, "in the case of reputable companies, well managed, joint examinations or those conducted by home departments are sufficient, and grant further that in almost every case both joint examinations

and those by one department are efficiently made, yet this must be borne in mind—the good name of insurance is not blackened by the continued operation of such companies, officered by men of honesty and ability, mindful of their trust. The good name of insurance is indelibly marred in the eyes of the public by the continued operation of companies without sufficient assets, manned by promoters, officered by men imbued with the 'get rich quick' spirit, controlled by manipulators of trust funds to their own personal advantage. In too many cases have these conditions remained unrevealed to other departments and to the public even after joint and home department examinations, and in too few instances have drastic steps promptly been taken to remedy the situation, until the inevitable loss to policyholders and stockholders resulted. I am informed that such instances are rare following convention examinations. This undoubtedly accounts for the higher regard generally given to the latter.

#### Not a Panacea

"In many of the states in which convention examinations are comparatively infrequent, the record of supervision is excellent. It is not unthinkable that many problems that become controver-

sies between departments and also between departments and companies might be solved through the medium of convention examinations. Fairness of rates and the question of excess profits are among those that might suggest themselves. Of course, it would not do to intimate that these might be considered by any one as an argument against such examinations.

#### Responsibility Is Great

"We, as commissioners, must assume a heavy responsibility both when we request a convention examination, and in the participation therein. Damage that cannot be repaired may be done by injudicious use of the power granted to us by law, and the best judgment that we have must be exercised in order that injustice may not be done, not only to officers and stockholders, but also to policyholders. Publicity is a powerful weapon when used in a righteous cause, but it is just as dangerous and deadly when handled either recklessly or carelessly. The end finally gained may justify its use, but I think I can safely speak for every one in this convention when I express the hope that no occasion in the future will require its unrestricted use.

"Perhaps the greatest advantage to be

gained by the convention examination over any other form is when a situation develops that needs drastic treatment. At such a time, the fact that the participating commissioners are representing not only their own individual states, but this association, and through its members, all of the supervisory power over insurance in the United States, enable them to wield a powerful influence in securing the best solution of financial or other difficulties of the company under examination. Even though such a commission is extra-legal and has no official status, it is difficult to measure its power and influence when conscientiously and fairly applied."

## COMPANIES FILE SCHEDULES IN VIRGINIA RATE INQUIRY

RICHMOND, VA., Sept. 26.—All but a few companies have filed answers to the first six schedules sent out by the state corporation commission preliminary to starting inquiry into fire and lightning rates. Two companies which failed to answer are admitted to Virginia, but have not been doing business in the state for the past year or two. The answers that were filed were sent first by the companies to Samuel W. Zimmer, president of the Petersburg Fire, who is counsel for the Virginia Insurance Rating Bureau, and he turned them over to the commission today. The schedules were due to have been filed Sept. 20, but a few days of grace were granted. The second set of schedules, four in number, due to have been filed today, will probably be in the hands of the commission within the next few days, grace having been allowed in their case, too. The remaining three sets of schedules are not due to be turned in until Oct. 10. More time was allowed for them because they are said to be the most difficult to fill out. The rate inquiry is scheduled to get under way Oct. 15.

## RAILWAYS WILL GUARD AGAINST LACQUER HAZARD

NEW YORK, Sept. 26.—Insurance engineers, especially those handling railway properties, will be interested in learning that at the recently held convention in Montreal of the equipment painting section of the American Railway Association, the recommendations submitted by the Railway Fire Protection Association for dealing with the fire hazards of lacquer finishes were adopted in their entirety. The railway men pledged complete cooperation in endeavoring to secure their acceptance by all roads, both in the United States and in Canada, holding membership in their organization.

For some time past railway men have been experimenting with lacquer finishes both for passenger cars and for locomotives, and it is a foregone conclusion that the system of spray painting will soon become general in the industry.

In the course of its report the Railway Fire Protection Association's committee submitted that the methods employed in the automotive industry for reducing the lacquer spraying hazards "are entirely practical for railway use." These methods embrace the "confining of the operation under a booth and providing deluge sprinkler protection for the booth proper, with ordinary sprinklers at the ceiling of the room," adding that "there are no short cuts and modifications, and compromise will not serve." While the railways have been fortunate thus far in escaping fires as a result of their experiments with lacquer spraying, in the opinion of the committee, "they surely will have them if the work is extended and continues without proper safeguards."

The Empire State Fire of Watertown, N. Y., has been admitted to Massachusetts to write fire marine (except ocean marine) and sprinkler leakage. Henry H. Landon of Springfield is named as agent of record.



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Protection

FIRE—THEFT—TORNADO  
PUBLIC LIABILITY—PROPERTY  
DAMAGE AND COLLISION

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The Western Automobile Casualty Co.  
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THE  
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INSURANCE COMPANIES  
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# 75<sup>TH</sup> Anniversary

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Absolute Fairness  
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Experience  
Regard for Agency System  
Interest in Agents' Welfare  
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Acquaintance with Agents  
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Earnest Helpfulness  
Notable Sympathy  
True Honesty in Business Conduct  
Realizes Agents' Problems  
Always Dependable  
Loyalty

### REALIZES AGENTS' PROBLEMS

"Here are my views of the desirable qualities in a fire insurance company:

First, Loyalty to its agency force.

Second, Loyalty to the principles of organized agents,

Third, Human relations with agents by officers who know the agents and understand conditions in all parts of the country.

The American Central has all these qualities and is an ideal company from the agent's standpoint."

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GIBERSON INSURANCE  
AGENCY  
ALTON, ILLINOIS

## AMERICAN CENTRAL INSURANCE CO.

SAINT LOUIS

B. G. Chapman, Jr., President

D. E. Monroe, Vice Pres. and Secretary



## SUSSEX FIRE INSURANCE COMPANY

Cash Capital  
\$500,000.00



Total Assets  
\$1,921,522.86

Military Park Bldg.

Net Surplus ..... \$1,346,522.86

Policyholders Surplus ..... 1,846,522.86

(Statement as of June 30, 1928.)

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Treaty and Facultative Fire Reinsurance

Capital and Surplus, Jan. 1st, 1928, \$1,324,348.38

Horace R. Wemple, President

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NEW YORK, N. Y.

Do your fellow agent a good turn—get him acquainted with The National Underwriter, the real insurance newspaper.

## CHICAGO EDITOR SAYS INSURANCE NEEDS AGGRESSIVE PUBLIC RELATIONS POLICY

GLENN GRISWOLD, editor of the Chicago "Journal of Commerce," who spoke at the annual convention of the National Association of Insurance Agents at West Baden, has made some interesting comments in his paper on the insurance business. He points out the necessity of a real public policy for the business. His remarks follow:

"I attended the annual convention of the National Association of Insurance Agents at West Baden this week. It was a most encouraging and gratifying experience, for it indicated clearly that this business which is clothed with a public interest almost equal to that of banking and utilities may soon adopt a real public policy and proceed to the education of the public in the ways of its business and to the winning of public understanding and confidence.

### Very Little Accomplished

"This means a lot, for, although it is a business which always has stood more in need of an intelligent public policy than any other, it has done less in this direction than any important business I know. If enthusiasm and intentness mean anything, the insurance business will soon undertake a direct and sustained appeal to public interest and sympathy.

"Leaders in the industry have talked volubly and sagely about such an enterprise ever since I remember, and I presume since the first insurance association was organized, but little has ever been accomplished except what was done in their own behalf by a few of the great life insurance companies.

"I presume the thing which has aroused, and to some extent has alarmed, the insurance business and driven it to action, was the experience it has had recently in Massachusetts. This state, the very cradle of American liberty, and the home of conservatism, passed a compulsory insurance law with reference to liability insurance on automobiles.

### Insurance Is Warned

"The industry was warned at the time that this was but the forerunner of state insurance, but it had no great concern in the matter until recently. When the state put the law into effect, it went through the motions of making everyone insure his automobile and dictated the rates at which the business should be written. Those rates were so low that the companies must lose from the start.

### Business in a Mess

"Things went from bad to worse and finally a state insurance commissioner, who originally had been quite radical in his ideas and had imposed those low rates, realized what was necessary in the public interest and insisted that

rates must be materially raised immediately. A panicky state administration, then in the midst of a campaign, peremptorily ordered him to keep still, and he resigned in protest.

"The whole business is in a mess, but one thing that appears clear in the conclusion is that Massachusetts is headed straight toward state insurance. If this had happened in Wisconsin, or the Dakotas, or in Oregon, it might not have been so surprising, but the prospect of state insurance in Massachusetts is enough to give the insurance business the shivers.

### Support Policy Campaign

"The real leaders in the business know what their job is, and they are undertaking now to create unanimity in their own ranks in support of an aggressive public policy campaign.

"These insurance men may have been influenced somewhat by another experience: the governor of Kentucky promised free school books for every child in the state and proposed to finance the whole business by an added tax on insurance premiums. He almost got away with it, and this experience demonstrated what is possible through a demagogic appeal to a public which has no understanding whatever of the insurance business, not too much confidence in it, and no feeling of self interest in its relations to it.

### No Logic in Conclusion

"Insurance men are somewhat inclined to believe that the experience of Massachusetts with state insurance has been so grievous that no other state shall have to pass an insurance law in the near future, although they are still frightened over the possibility of state insurance. I see no logic in such confidence. The experience in Massachusetts was grievous to the companies and to the officials, but so far as I can see, the public has had very little instruction in the matter and very little grief on its own part. Twenty or more legislatures entertained compulsory insurance bills during the last season, and in the next, one of them or several may pass such legislation.

### Guarantee Systems Fail

"The history of the state guarantee of bank deposits is a case in point. One after another such systems have failed with appalling losses, and these losses were amply shared by the public itself; and yet one after another the states have passed such legislation.

"In Nebraska, the last state in which such a device survives, the state is confronted with great losses, and yet politicians are maneuvering for a reorganization and a rejuvenation of the scheme, and it is neither impossible nor improbable that the idea may be sold to the public."

## REFUSES MASSACHUSETTS COMMISSIONER'S POST

BOSTON, Sept. 26.—J. Bradford Davis of Haverhill, member of the state senate, has refused the offer of Governor Alvin T. Fuller to become commissioner of insurance of Massachusetts. Senator Davis and the governor had a conference this morning on the matter and the result was announced by Mr. Davis. Governor Fuller recently stated he would give "serious consideration" to Senator Davis if the latter cared to accept the post.

"I was recently renominated for the senate in the fourth Essex district by a very fine vote, and I feel sure there is more opportunity for service in the senate than as insurance commissioner," declared Senator Davis in announcing he had declined the governor's suggestion.

## KENNINGTON IS ELECTED AS VICE-PRESIDENT

The Union Indemnity has announced that R. E. Kennington, president of the Bankers & Merchants Fire of Jackson, Miss., has been elected vice-president of the Union Indemnity, La Salle Fire, Union Title Guarantee and Northwestern Casualty & Surety, all of which are affiliated with the Union Indemnity as constituent companies of the Insurance Securities Company.

### Made Director Also

Mr. Kennington has also been named a director of the Insurance Securities Company, Union Indemnity, La Salle Fire and Union Title Guarantee.

It will be recalled that the Bankers & Merchants Fire went into the Insurance Securities Company group some months ago.

## AGRICULTURAL COMMITTEE OF FIRE COUNCIL MEETS

### PROGRESS REPORTS ARE MADE

I. D. Goss, Chairman, Presides at Session  
Held in Chicago—Program  
Announced

Full attendance was recorded at the annual meeting of the agricultural committee of the National Fire Waste Council held in Chicago. I. D. Goss, chairman of the committee, presided, and had prepared an interesting and comprehensive program. The last previous meeting of the committee was held a year ago, in Washington.

The agricultural committee has 11 subcommittees assigned to various phases of the general fire prevention effort, and each committee made a report of progress. The following subjects were dealt with in these reports: Radio, press, state organizations, location and construction of farm buildings, equipment and methods of prevention and protection, rural fire departments, legislation, speakers' bureau, agricultural agencies, public schools, demonstrations. Among plans discussed and adopted were:

An effort will be made to tie up with the smaller local radio stations, for the purpose of getting the fire prevention story to the farm communities.

#### Publicity Bureau Planned

A publicity bureau will be set up under the direction of E. B. Reid, who is in charge of advertising and publicity for the Federal Land and Intermediate Credit Banks at Washington. Material will be furnished by members of the agricultural committee.

Effort will be made to educate builders on features of safety in construction and to train school children and farmers to inspect their own premises for detection of fire hazards.

The report of the committee on how to organize a rural fire department will be published at once and put in circulation. The committee will unite with other organizations to fix upon a standard of extinguisher equipment best adapted to farm use and recommend the number of units desirable.

A model bill to provide for the organization and maintenance of rural fire departments is being formulated and will be introduced in many state legislatures in the near future.

Model farm fire prevention talks have been prepared and will be supplied to

local chambers of commerce, Rotary, Kiwanis and other clubs, and to schools, for use at farm meetings.

Stronger effort will be made to enlist the active support of public schools and the agricultural colleges in spreading the gospel of farm fire prevention.

It is planned to set up an exhibit which can be furnished to state fairs and other large gatherings, to be put on under the direction of the fire marshal and the state agricultural school.

Chairman Goss is so pleased with the progress recorded in the last year and the outlook for the future. He believes that rural fire waste can be materially cut down; that the subject has found a place in the consciousness of the farm public and has attained prominent standing with the farm press and all agricultural organizations. Mr. Goss will represent his committee at the meeting of the National Fire Waste Council in Washington Sept. 28.

Those in attendance at the Chicago meeting were: I. D. Goss, Continental farm department, Chicago; William Harper Dean, manager, agricultural service, Chamber of Commerce of the United States; T. Alfred Fleming, supervisor conservation department, National Board; D. J. Price, bureau of chemistry, United States department of agriculture; E. B. Reid, Intermediate Credit Banks; Walter H. Gaumnitz, Bureau of Education, Washington; L. S. Robertson, Purdue University; G. L. Noble, executive secretary, National Committee on Boys' and Girls' Club Work; E. A. White, director committee on relation of electricity to agriculture; B. M. Stahl, Ohio State University; C. R. Welborn, superintendent label service, Underwriters Laboratories; Alson Secor, representing Meredith Publishing Company; T. L. Wheeler, editor "Farmers Guide"; W. G. Kaiser, secretary Portland Cement Association; Rosse Case, Marion, Kan.; C. E. Parks, superintendent western farm department, National Fire;



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The most Satisfactory Life Contract Available is that of the Columbus Mutual—the Company which 20 years ago Eliminated Middlemen and Diverted the Huge Expense of their Maintenance into Savings for Policyholders and Agents. Its System makes possible Low Cost Insurance, Generous Commissions, and VESTED Renewals. There are No Restrictions in Territory. Each Contract is a Direct Home Office Contract—no Intermediaries between. The Agency that Produces gets ALL the Commissions.

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Elmer F. Davis, superintendent western farm department Westchester Fire; F. H. Cornell, associate manager western farm department Home of New York;

Wallace Rogers, Gale & Pietsch, Inc.; A. E. Nealiff, representing National Farm Radio Council; James C. Slocum, secretary Pioneer Mutual Reserve Fire.

## CHANGES IN THE FIELD

### NOLAN GOES TO NEBRASKA

Becomes State Agent for the Crum & Forster Fleet, Leaving His Position in Detroit

F. E. Nolan of Detroit, Wayne county manager of the National Union Fire and National Union Indemnity, has resigned to become state agent for the Crum & Forster fleet in Nebraska. He formerly traveled for five years for the Phoenix of Hartford in Nebraska. Mr. Nolan has made a very excellent record.

### George E. Scaaf

George E. Scaaf, a graduate of the United States chief office of the Royal Exchange, has been appointed special agent for the company and its allied institutions, the State Assurance and the Provident, in western Pennsylvania and West Virginia. He will make headquarters in Pittsburgh. Mr. Scaaf suc-

ceeds C. Myer, recently resigned to connect with the Corroon & Reynolds group of companies.

### Roy A. Owens

Roy A. Owens, state agent of the Western Fire of Fort Scott, Kan., in Kentucky, has had Indiana added to his field.

### John Miller

John Miller of Little Rock has been appointed state agent in Arkansas for the Brooklyn Fire and the Merchants & Manufacturers and Oklahoma state agent for the Sylvania, Bronx Fire and the American Equitable. All the companies are members of the Corroon & Reynolds group. Mr. Miller is a native of Arkansas, knows the territory and its people and their needs, having previously traveled the state for the Trezevant & Cochran general agency of Dallas.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### VOSS' WILL ATTRACTS ATTENTION

Frederick G. Voss, whose will attracted attention in newspapers throughout the world recently, because of the direction to executors to burn certain books and papers held by banks and safety deposit companies in London, was a former United States manager of the Thuringia and of the Frankfort Marine & Accident. Mr. Voss had a very favorable contract and made a great deal of money in the insurance business, operating very much as a free lance. He retired several years ago. The Thuringia reinsured all its American business just prior to the San Francisco conflagration and therefore escaped a heavy liability. The Frankfort was taken over by the alien property custodian when the United States entered the world war.

The American Museum of Natural History of New York will receive \$500,000 under Mr. Voss' will to be used in anthropological and archaeological research work. Ample provision is made for the widow, two sons and certain other relatives. Mr. Voss died in Baden, Germany, in August last.

### AMERICAN EQUITABLE'S FIGURES

The American Equitable of New York in its statement as of July 1 shows assets of more than twice its liabilities, even when the voluntary reserve is included as a liability. The figures, which include the recent increase in capital and surplus, are: Assets, \$8,506,689; liabilities (including special voluntary reserve of \$1,000,000 for contingencies) \$3,980,598, and surplus to policyholders, \$4,526,090.

The American Equitable reports earnings, after payment of preferred dividends, for the half year ending July 1 amounting to \$4.95 per share on the 100,000 shares of common stock outstanding during that period. Of this amount, \$125,000 was paid in dividends on the common stock; \$250,000 was apportioned to voluntary reserve for contingencies, which increased that item to \$1,000,000, and the balance, \$120,526, was carried to surplus.

On June 7 rights were given to common stockholders of record on June 11 to subscribe for two shares for each share held at \$10 per share. These rights were fully exercised, and \$2,000,000 of additional funds was paid into the treasury on June 30. A million of this

amount was applied to capital and the balance to surplus. The common share capitalization was thus increased from 100,000 to 300,000 shares of a par value of \$5 each.

### BUSINESS FAILURES INCREASE

Business failures throughout the United States for the week ended Sept. 22, according to a report by R. G. Dun & Co., totaled 437, an increase of 32 over the preceding week, and an advance of 100 over the aggregate of the like period of 1927. Of the past week's failures 247 reported liabilities in excess of \$5,000 each. The defaults, while general throughout the country, were notably severe in the west. Despite this unfavorable business condition, fire companies have not noticed any particular moral hazard in their losses. These are attributed in the main to purely physical causes, although it is unquestionably true that many might have been averted through the exercise of proper care in fire prevention.

### NEW COMPANY ORGANIZING

Intention to organize a company to be known as the Italian-American Fire & Marine in New York state has been announced by a group of prominent Italian-American citizens. The company will be the first ever to be organized by an Italian-American group. The company is designed to serve real estate and shipping interests with which Italian-American citizens of New York and other cities are identified. The following are listed as the incorporators:

Vincent C. Pepe, J. Richling, A. M. Caridi, Ernest Valentini, Robert Ferrari, R. H. McKelvey, John J. McKelvey, Jerome Kennedy, Alexander S. Banks, Aniello Q. Orza, G. Granata, Eugene Petrosomolo and Joseph J. Montresor.

### STOCK SELLERS UNDER FIRE

Following the recent announcement that William H. Kaiser & Co. of New York City, were offering for subscription the stock of the Economy Fire of Maryland, the New York insurance department made an investigation into the organization's operations, as its application for a license to sell the stock in New York had been denied. After the investigation the department advised Attorney-General Ottinger that Kaiser



During the Philippine American War in 1898

**T**he Treaty of Paris, in addition to marking the end of the Spanish American War, presaged the American-Philippine War of two months hence. Disappointed in the terms of this treaty, the Filipinos attacked Manila. On February 4, 1899 war was declared against the United States.

War continued for two years until the insurrection was broken by the capture of Aguinaldo the Filipino leader.

The Philippine Islands today are an integral part of the Home's world wide agency system. Through the American Foreign Insurance Association, the Home is represented there.

## THE HOME INSURANCE COMPANY NEW YORK

—Seventy-fifth Anniversary Year—

& Co. issued a prospectus on the Economy Fire and had issued notices to the effect that certain blocks of stock were for sale. The department has asked the attorney-general to proceed against the persons involved. The department sets forth the facts in part as follows:

"In May of this year applications were filed by William H. Kaiser & Co. and L. D. Wood (attorney for the Economy Fire) for a license. Statements contained in the applications and additional facts disclose that the hearing granted the applicants required that the applications be denied. The superintendent, however, permitted them to withdraw their applications, and to date no new applications have been filed. It is apparent that the stock of this company is being offered for sale in violation of Section 66. It is my understanding that failure to comply with Section 66 of the insurance law constitutes such a violation of law as authorizes the attorney-general to apply to the courts for relief under the provisions of Article 23A of the general business law. This I believe to be in accordance with your opinion of Oct. 6, 1925."

\* \* \*

### NEW ARSON BUREAU OPENS

Announcement of the opening of a special department of its arson bureau and its New York office has been made by the National Board. The department is staffed with operative and special agents who will make close investigations into all suspicious fires occurring in the metropolitan area, including New Jersey, Westchester county and Long Island. Chief Special Agent Joseph F. Gillete is in charge of investigations.

### AS SEEN FROM CHICAGO

#### W. L. HOAGLAND DEAD

W. L. Hoagland who was with the Home of New York in Chicago for more than 20 years, fatally shot himself at his home this week. The funeral, held privately, was on Wednesday. Mr. Hoagland had been ill for a week preceding his act, and it is presumed that the pain he suffered unsettled him. He was 63 and was one of the oldtimers with the Home and in the Chicago insurance fraternity.

\* \* \*

#### OFFERS FIRE PREVENTION AID

President Coolidge's proclamation urging general cooperation during Fire Prevention Week, and the similar proclamation which are being issued by the governors of the various states and the mayors of the cities, reflect the increasing interest which is being taken in this observance. Fire insurance men are naturally expected to take the lead in these campaigns, and those who wish to organize observances in their communities can secure programs, suggestions for fire prevention talks and fire prevention literature for distribution by addressing the Committee on Publicity & Education, 953 Insurance Exchange, Chicago.

\* \* \*

#### INSURANCE STOCK QUOTATIONS

H. W. Cornelius of the Chicago investment firm of Lewis, Dewes & Co. give the following insurance stock quotations, dated Sept. 24:

| Stock               | Par | Bid  | Asked | Div. per Share |
|---------------------|-----|------|-------|----------------|
| Aetna Cas.....      | 100 | 1200 | 1250  | \$12.00        |
| Aetna Fire.....     | 100 | 835  | 845   | 24.00          |
| Aetna Life.....     | 100 | 880  | 890   | 12.00          |
| Agricultural.....   | 25  | 130  | 145   | 4.00           |
| Alleghenia.....     | 50  | 330  | 350   | 10.00          |
| Amer. Alli.....     | 100 | 605  | ...   | 16.00          |
| Amer. Auto.....     | 10  | 75   | ...   | 2.00           |
| Amer. Drug.....     | 25  | 83   | 86    | 3.00           |
| Amer. Equit.....    | 5   | 33   | 37    | 1.50           |
| American, N. J..... | 5   | 28   | 30    | 1.00           |
| Amer. Re-Ins.....   | 10  | 67   | 70    | 3.00           |
| Amer. Reserve.....  | 10  | 90   | 95    | 3.00           |
| Amer. Salam.....    | 50  | 72   | 76    | 2.50           |
| Amer. Surety.....   | 50  | 272  | 282   | 12.00          |
| Automobile.....     | 100 | 440  | 450   | ...            |
| Balt. Amer.....     | 10  | 86   | 89    | 1.80           |
| Bankers Indem.....  | 5   | 21   | 24    | ...            |
| Bankers & Ship..... | 100 | 550  | 565   | 18.00          |
| Boston.....         | 100 | 1275 | 1350  | 18.00          |
| Brooklyn Fire.....  | 25  | 103  | 109   | ...            |
| Buffalo.....        | 100 | 450  | ...   | 13.00          |

## REPUBLIC AUTOMOBILE INSURANCE CO.

HOME OFFICE

DETROIT, MICHIGAN

"You're not up to the minute if you haven't a company that specializes in Automobile Insurance in your Agency — that's why I want you to let me tell you about the Republic Automobile of Detroit—

*The Republic Special*

"An Exclusive Automobile Writing Company"



TERRITORY OPEN in  
Ohio  
Illinois  
Indiana  
Michigan

R. M. BISSELL, Pres. JOHN H. GRIFFIN, Vice-Pres. & Mgr.  
WILLIAM COLLINS, Sec'y & Treas.

## TWIN CITY FIRE INSURANCE COMPANY MINNEAPOLIS, MINNESOTA

*The Company That Aims to Excel in Service*

**FIRE TORNADO FARM  
HAIL AUTOMOBILE TRACTOR**

F. R. Ormsby, Pres. G. E. Hutchings, Secy. C. J. Kepler, Treas. and Asst. Secy.

## Industrial Fire Insurance Co.

Akron, Ohio

January 1, 1928

Capital \$500,000

Surplus to Policyholders \$968,055.88  
Total Admitted Assets \$1,737,659.31

An Ohio Company writing Business through Ohio Agents. Why not represent an Ohio Company?

**AGENTS WANTED!**



| Stock             | Par | Bid    | Asked  | Div. Per Share | Stock             | Par | Bid    | Asked  | Div. Per Share | Stock               | Par | Bid    | Asked | Div. Per Share |
|-------------------|-----|--------|--------|----------------|-------------------|-----|--------|--------|----------------|---------------------|-----|--------|-------|----------------|
| Camden            | 5   | 30     | 33     | .95            | Henry Clay        | 10  | 11 1/2 | ...    | .60            | Pioneer Fire        | 20  | 20     | ...   | ...            |
| Carolina          | 10  | 62     | 66     | 1.40           | Home              | 100 | 540    | 555    | 20.00          | Preferred Accl.     | 100 | 560    | 580   | 12.00          |
| Cent. West Cas.   | 50  | 66     | 72     | 2.00           | Homestead Fire    | 10  | 40     | 43     | .60            | Presidl. F. & M.    | 25  | 29     | ...   | ...            |
| Chicago F. & M.   | 10  | 15     | 17 1/2 | ...            | Hudson Cas.       | 5   | 9      | 10 1/2 | .10            | Public Fire, N. J.  | 5   | 26     | 29    | ...            |
| City of N. Y.     | 100 | 605    | ...    | 16.00          | Import. & Exp.    | 25  | 86     | 90     | 4.00           | Relliance           | 10  | 26     | 29    | 1.20           |
| Colonial States   | 10  | 28     | 31     | ...            | Independ. Indem.  | 10  | 28     | 32     | .50            | Rhode Island        | 100 | 340    | 365   | 12.00          |
| Columb. Natl.     | 25  | 18     | 22     | ...            | Independ. Fire    | 10  | 19     | 24     | .60            | Rossia              | 25  | 186    | 188   | 6.00           |
| Commer. Cas.      | 10  | 53     | 57     | 1.60           | Ins. Co. of N. A. | 10  | 76     | 78     | 2.00           | Seaboard Surety     | 10  | 20     | 23    | ...            |
| Commonwealth      | 100 | 750    | ...    | 20.00          | Iowa Natl. Fire   | 100 | 160    | ...    | 8.00           | *Security, Conn.    | 25  | 135    | 140   | 3.00           |
| Conserv. Life     | 5   | 10     | ...    | ...            | Lincoln Fire      | 20  | 90     | 95     | 4.50           | South. Sur., N. Y.  | 10  | 37 1/2 | 39    | 1.60           |
| Constitu. Indem.  | 10  | 30     | 35     | ...            | Lloyds Plate Gl.  | 100 | 265    | 285    | 14.00          | Springfield F. & M. | 25  | 212    | 225   | 4.00           |
| Contintl. Assur.  | 10  | 95     | 100    | 1.60           | Maryland Cas.     | 25  | 168    | 176    | 1.85           | St. Paul F. & M.    | 25  | 202    | 208   | 4.00           |
| Contintl. Cas.    | 10  | 73     | 76     | 1.60           | Mass. Bonding     | 100 | 550    | 600    | 12.00          | Standard Accl.      | 50  | 325    | 375   | 6.00           |
| Continental       | 10  | 81     | 83     | 2.00           | Merch. F. (Com)   | 25  | 350    | 370    | 8.00           | Stuyvesant, N. Y.   | 100 | 310    | 320   | 6.00           |
| Detroit F. & S.   | 50  | 67     | 71     | 4.00           | Merch. F. (Prd.)  | 125 | 126    | ...    | 7.00           | Sylvania Fire       | 10  | 27     | 30    | ...            |
| Detroit F. & M.   | 100 | 280    | 300    | 10.00          | Mechanics         | 25  | 100    | ...    | 2.50           | Transpor. Indem.    | 10  | 22     | 25    | ...            |
| Excelsior         | 5   | 12 1/2 | ...    | ...            | Merchants, R. I.  | 50  | 115    | 125    | ...            | Transportation      | 25  | 42     | ...   | ...            |
| Federal of N. J.  | 100 | 1175   | ...    | 20.00          | Merch. & Manuf.   | 5   | 20     | 25     | ...            | Travelers           | 100 | 1630   | 1660  | 22.00          |
| Fed. Sur. (new)   | 25  | ...    | ...    | ...            | Metropolitan F.   | 10  | 10     | ...    | 1.00           | U. S. Fire          | 10  | 110    | 116   | ...            |
| Fidelity & Cas.   | 25  | 193    | 200    | 5.00           | Milwaukee Mech.   | 10  | 45     | 47     | 1.80           | U. S. Cas.          | 100 | 390    | 410   | 10.00          |
| Fidelity & Dep.   | 50  | 310    | 316    | 8.00           | Mohawk Fire       | 25  | 50     | 54     | ...            | U. S. Fid. & Guar.  | 50  | 480    | 490   | 10.00          |
| Fidelity-Phenix   | 10  | 86     | 88     | 2.00           | National Cas.     | 10  | 53     | 56 1/2 | 1.20           | U. S. Mer. & Ship.  | 100 | 455    | 470   | 8.00           |
| Fire Association  | 10  | 49     | 51     | 2.50           | National Fire     | 100 | 1160   | 1180   | 25.00          | Victory             | 10  | 26     | 29    | 1.20           |
| Fireman's Fund    | 25  | 116    | 120    | 5.00           | National Liberty  | 5   | 100    | 103    | ...            | Virginia F. & M.    | 25  | 180    | 145   | 4.50           |
| Firemen's, N. J.  | 10  | 47     | 50     | 2.20           | Natl. Union F.    | 100 | 335    | 350    | 12.00          | Vulcan              | 100 | 150    | ...   | 12.00          |
| Franklin Fire     | 25  | 400    | ...    | 8.00           | National Surety   | 100 | 304    | 306    | 10.00          | Westchester Fire    | 10  | 97     | 100   | 2.50           |
| General           | ... | 30     | 50     | ...            | New Amster. Cas.  | 10  | 72     | 74     | 2.80           |                     |     |        |       |                |
| General Surety    | 25  | 140    | 150    | ...            | New Bruns. Fire   | 10  | 55     | 58     | ...            |                     |     |        |       |                |
| Georgia Cas.      | 10  | 23     | 25     | 1.20           | New Cent. Cas.    | 50  | ...    | ...    | 5.00           |                     |     |        |       |                |
| Glens Falls       | 10  | 61     | 63     | 1.60           | New England F.    | 10  | 48     | 53     | ...            |                     |     |        |       |                |
| Globe & Rutgers   | 100 | 2900   | 2975   | 44.00          | New Hamp. F.      | 100 | 540    | 560    | 16.00          |                     |     |        |       |                |
| Gt. Amer. Cas.    | 25  | 15     | 20     | ...            | New Jersey        | 20  | 66     | 71     | 1.80           |                     |     |        |       |                |
| Gt. Amer. Indem.  | 10  | 78     | 84     | ...            | New York Cas.     | 25  | 97     | 100    | 4.00           |                     |     |        |       |                |
| Great American    | 10  | 50     | 53     | 1.60           | Niagara Fire      | 25  | 126    | 134    | ...            |                     |     |        |       |                |
| Great Lakes       | 10  | 11     | 13     | 1.00           | Northern          | 25  | 126    | 134    | 3.75           |                     |     |        |       |                |
| Guaranty          | 100 | 215    | 225    | 10.00          | North River       | 25  | 340    | 350    | 7.75           |                     |     |        |       |                |
| Guardian Fire     | 25  | 114    | 118    | 5.00           | N. W. Natl.       | 25  | 203    | 210    | ...            |                     |     |        |       |                |
| Halifax Fire      | 10  | 44 1/2 | 47 1/2 | .60            | Occidental        | 10  | 27     | 30     | ...            |                     |     |        |       |                |
| Hamilton          | 50  | 350    | 400    | 4.00           | Pacific Fire      | 25  | 170    | ...    | 4.00           |                     |     |        |       |                |
| Hanover           | 10  | 82     | 85     | 1.00           | Pacific Indem.    | 50  | 210    | ...    | ...            |                     |     |        |       |                |
| Harmonia          | 10  | 77     | 80     | 1.40           | Peoples Natl. F.  | 10  | 61     | 64     | 1.25           |                     |     |        |       |                |
| Hartford          | 100 | 835    | 845    | 20.00          | Philadel. Natl.   | 10  | 24     | 26     | ...            |                     |     |        |       |                |
| Htrd. Steam Boil. | 100 | 770    | 790    | 18.00          | Phoenix           | 100 | 820    | 830    | 20.00          |                     |     |        |       |                |

is to start soon, is expected to be the best the club has conducted so far in its history.

**John Kremer**, secretary, and **Silas H. Schoch**, manager of the brokerage and service department of the North America, were in Chicago this week. Mr. Kremer is on the last lap of a rather extensive western trip.

**Frank G. Bush**, assistant secretary of the Aetna, was in Chicago this week.

#### New Organization Forming

An organization meeting of the American Agents & Brokers Association is scheduled to be held in Philadelphia tonight (Thursday). A constitution and by-laws will be adopted and permanent officers will be elected. The organization is being formed "for the protection of American insurance producers," and is to be national in scope. At the meeting this week both the national body and the Philadelphia local organization will be formally launched.

Among the aims of the new association are:

Solidification of the country's insurance agents and brokers into a single powerful group so that any attempts to attack the established insurance agency and brokerage system may be resisted.

To protect the public from "wild-cat" and other illegitimate insurance companies, many of which do an unauthorized business through the mails. The association will attempt to have Congress pass a bill dealing with the illicit sale of insurance through the mails.

Formation of an ethics committee to prevent bad practices and "cut-throat" competition among agents and brokers.

#### Selling Globe of Pittsburgh Stock

W. Wallace Lyon & Co. of New York are underwriting 25,000 shares of capital stock of the Globe of Pittsburgh. This company recently came under the management of Corroon & Reynolds of New York City. The Globe has been in continuous existence for 66 years. The capital paid into the company by the stockholders prior to change in management amounted to \$200,000. They have received in dividends \$1,633,000 in cash and \$150,000 in stock—a total of \$1,783,000. Dividends at the rate of \$2 a share or 20 percent have been inaugurated on the new \$10 par value share. The 25,000 shares are being sold at \$45.50 a share. When the refinancing takes place the Globe will have capital \$500,000, policyholders surplus \$1,325,000, assets \$2,000,000.

#### OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men.

Advertisements which are received before 5:00 P. M. Tuesday are inserted in the current issue.

"Opportunities" advertisements are \$6.00 an inch for one insertion.

The National Underwriter  
Chicago

#### EXECUTIVE ACCOUNTANT

Former officer in charge accounting home office small mutual auto insurance company desires connection with live company. Clean record. A-1 references. Now employed. Age 29. Opportunity more important than starting salary. Address G-69, care The National Underwriter.

#### INSURANCE SCHEDULE ENGINEER

14 years experience with improved risks. 3 years with Rating Bureau, sprinkler experience, able to make layouts, familiar with both eastern and western territory, acquainted with Bureau practices and schedules in many states, successful selling experience, desires to change connection to secure better opportunity. Address G-70, care The National Underwriter.

### 25,000 Shares

## Globe Insurance Company of America

### Pittsburgh, Pa.

(Incorporated 1862)

#### Capital Stock

Transfer Agent:

BANK OF AMERICA NATIONAL ASSOCIATION  
New York City

Registrar:

GUARANTY TRUST COMPANY  
New York City

**History:** The Globe Insurance Company of America, Pittsburgh, Pa., has been continuously in business since 1862, and has always enjoyed an excellent reputation.

**Management:** The Company recently came under the management of the insurance underwriting firm of Corroon & Reynolds, Inc., of New York City, and through this connection will be associated with a large group of established companies, enjoying a premium income in excess of \$15,000,000 per annum. This association will be of material help to the Globe in expanding its operations, substantially reducing its expense ratio, and in enabling it to retain a large proportion of the business heretofore reinsured by it. The Companies operating under the same management include the American Equitable Assurance Company of New York, Knickerbocker Insurance Company of New York, New York Fire Insurance Company (1832), Brooklyn Fire Insurance Company, Merchants and Manufacturers Fire Insurance Company, Newark, N. J. (1849), Republic Fire Insurance Company of Pittsburgh, Pa. (1871), Bronx Fire Insurance Company of the City of New York and the Sylvania Insurance Company of Philadelphia, Pa.

**Dividends:** The Globe has an unique dividend record covering an unbroken period of 66 consecutive years. The total capital paid into the Company by the shareholders prior to change in management amounted to only \$200,000. They have received dividends of \$1,633,000 in cash and \$150,000 in stock—a total of \$1,783,000. Dividends at the rate of \$2.00 per share per annum, or 20%, have been inaugurated on the new \$10.00 par value shares. The next dividend will be payable on October 1st, 1928, to stockholders of record September 27th, 1928.

**Capitalization:** The condition of the Company upon completion of present plan of refinancing on the basis of 50,000 outstanding shares will be, approximately, as follows: Cash Capital, \$500,000; Reserve for all liabilities, \$675,000; Surplus to policyholders, \$1,325,000; Assets, \$2,000,000.

We have acquired and offer for sale, 25,000 shares, when, as and if issued at

**\$45.50 per share**

**W. Wallace Lyon & Co.**

(Established 1913)

51 East 42d Street

New York

The information contained in this advertisement has been obtained from sources which we consider reliable. While not guaranteed, it is accepted by us as accurate.



A little fire on a match—a pile of rubbish that will catch the burning splinter where it drops. And then, unless somebody stops the blaze, the building may catch fire and cause a loss that mounts up higher than you would ever think it could. And that's one reason why you should do all you can to emphasize the need of being safety wise. Next month there's Fire Prevention Week. Begins the seventh. You should seek most every chance you get to tell of safety measures. You are well assured of having a good cause. Your talks will bring you loud applause. This thing is nothing new to you, but there's a lot that you can do. Your efforts to safeguard the town will reap you great and wide renown. And what is more—the vital aim—you'll help reduce the loss by flame.

New Brunswick agents can secure this series changed to help procure more business through newspaper ad. Just write for them and we'll be glad to send the cuts and copy now. And if you wish we'll tell you how to use to best advantage these. They get attention 'cause they please.



#### FLORIDA'S INSURANCE LOSS CALLED 10 MILLION (CONTINUED FROM PAGE 3)

and J. P. Lamprey have gone to Palm Beach.

##### Adjuster Makes Report

Harry E. Parker, Miami, Fla., insurance adjuster, makes the following statement:

"Insurance losses at Palm Beach are estimated at \$11,000,000. The Miami losses in 1926 were \$15,000,000. The National Board is functioning. Adjusters are on the ground and organized, but very few adjustments have been made, intermittent rains handicapping adjusters and causing additional damage. Losses at Miami are greater than first estimated. About 60 adjusters are in West Palm Beach and the surrounding towns most affected."

Practically all the loss to insurance from the storm is at West Palm Beach, the rest of the damage being to life and in sections not covered by storm insurance. B. D. Cole, West Palm Beach, one of the largest insurance agents in the state, says: "Approximately 95 percent of the buildings in this locality are damaged. Would estimate that the loss to insurance is 35 percent of liability. Total loss to insurance companies in this territory will approximate \$5,000,000."

Delays in settling claims will be encountered through the difficulty of proving title to many of the destroyed buildings. The owners of which, it develops, have only slight equities therein. It is reported that no tornado coverage was carried on either the Koyal Ponciana or the Breakers, hotels at Palm Beach, both of which suffered in the storm. Both properties carry fire insurance, but the owners declined to accept tornado indemnity, maintaining that the rates were too high.

##### Companies Study Situation

In the light of the recent disaster company executives are studying their future policy with respect to Florida business. They appreciate that it is virtually impossible to get desirable fire lines in a considerable section of the state unless they assume the tornado hazard as well, and in view of the three severe storms that have swept the state in the last two years, are asking themselves whether it is worth while to continue operating there.

##### Rates May Be Increased

There is general agreement that rates will have to be still further advanced over the increase of 1926 if tornado coverage is still to be furnished in the territory. That the late disaster will have a dampening effect on the economic condition of Florida is the prevailing impression, capital being unwilling to invest in a territory likely at any time to suffer damage from the elements.

##### Fred Groth Joins Retailers

Arrangements have been made by G. L. Martini, manager of the central department of the Retailers Fire, Oklahoma City, for the handling of the Nebraska and western Iowa territory by Fred Groth, Sharp building, Lincoln, Neb. Mr. Groth has for several years been identified with the Nebraska Association of Local Agents. He is a local agent at Lincoln, Neb., as well as general agent of the Union Automobile of Los Angeles. He will have entire supervision for the state of Nebraska. The appointment is effective as of Oct. 1.

##### Palmer Bar Meeting Speaker

Ernest Palmer, manager of the Chicago Board, will be one of the principal speakers at the 46th annual meeting of the Missouri Bar Association to be held in St. Louis, Sept. 28-29.

Mrs. W. E. Landers, wife of W. E. Landers, state agent for the Northwestern Fire & Marine in Kansas, is confined to her home recovering from injuries received in a recent automobile accident.



### MUSICAL INSTRUMENTS Insured Against All Risks Wherever Located A. F. SHAW & CO., Inc.

GENERAL AGENTS—ALL RISKS DEPT.

ST. PAUL FIRE & MARINE INS. CO.

NEW YORK  
75 Maiden Lane  
Phone Beekman 4546

CHICAGO  
Insurance Exchange  
Phone Wabash 1068

GEO. M. EASLEY

HAL V. HAYS

### GEO. M. EASLEY AND COMPANY GENERAL AGENTS—DALLAS

"HE PROFITS MOST WHO SERVES BEST"

Boston Ins. Co.  
Pittsburgh Underwriters  
Patriotic Insurance Company  
Federal Ins. Co. of Jersey City  
Globe Indemnity Co. New York  
Fire & Marine Und. Agency of Automobile Ins. Co. of Hartford



# SECURITY FIRE INSURANCE CO. of Davenport, Iowa



Commenced Business 1883



**SURPLUS TO POLICYHOLDERS  
OVER  
ONE MILLION DOLLARS**

## The LIBERTY HOME OFFICE DAYTON, OHIO INSURANCE COMPANY

Automobile Insurance—Full Coverage—All in One Policy  
Plate Glass, Liability and Accident Insurance  
Capital Stock \$250,000—Assets Over One Million  
Surplus to Policyholders Over Half Million

Agents wanted in Illinois, Ohio, Missouri, Kentucky, Michigan, Tennessee, Kansas, Indiana, Alabama and Florida. J. R. Jones, Sec'y & Mgr.

## FIRE REINSURANCE TREATIES

**Eagle Fire Insurance Company**  
(NEW JERSEY)

**Baltica Insurance Co., Ltd.**  
(DENMARK)

Franklin W. Fort

Thomas B. Donaldson

18 WASHINGTON PLACE, NEWARK, N. J.

## MODIFICATIONS MADE IN CHICAGO PROGRAM

(CONTINUED FROM PAGE 3)

and it was, therefore, voted to recommend that a flat contingent of 10 percent be paid to class 1 agents. The point was made that seldom have companies paid more or less than this figure, and it was felt that the naming of a definite amount would clear the air so far as the contingent commission question is concerned.

The plans submitted to the Union at Manchester had been carefully prepared by a joint committee of nine, made up of representatives of the Union, the Western Insurance Bureau and the Chicago Board and adopted at a general meeting of the last named organization several weeks ago. It did not fully meet the views of a number of powerful company groups in the Union, whose opposition, however, was overcome by the modifications finally sanctioned. The revisions desired by the Union will be submitted by the Union membership on the committee of nine to their conferees and thereafter certified to the president and secretary of the Union. It is believed that the changes will prove acceptable to both the Western Insurance Bureau and the Chicago Board. If the Union's revisions meet with approval at the Western Insurance Bureau meeting to be held October 10-12 they will then have to receive only the approval of the Chicago Board. An executive committee meeting of the Chicago Board was held this week at which it was voted to continue the Chicago Board's committee which has been acting on this question.

### Interests Are Similar

Current comment on the Union's action is to the effect that, after all, the Union and Bureau have similar interests and that there is no reason that can now be discerned why the Bureau might be unfavorably inclined toward the revisions proposed. It is pointed out that the Chicago Board might be more likely to disapprove the revisions that the Bureau, as there might develop within the Chicago Board some agency opposition. The two company organizations, however, have the same end in view and for that reason confidence is expressed that the Bureau will give its approval.

General satisfaction was expressed by members attending the annual meeting of the Union at Manchester, Vt., last week, with the outcome of its deliberations. The big issue before the gathering, in fact, the only one of primary importance, was the report of the committee of nine on commissions and brokerages and related subjects in Cook county, and that this was adopted, with very minor modifications, by a unanimous vote was highly gratifying; doubly so as such result was unlooked for prior to the concluding session.

### Committees Good Work

The satisfactory action taken by the Union was unquestionably influenced in large measure by the masterly presentation of the whole question by its representatives on the committee of nine, namely, John M. Thomas, C. R. Tuttle and J. R. Wilbur. The reading of the report in part by Mr. Tuttle and again by Mr. Wilbur, was followed with unusual interest, and upon its conclusion the unanimous verdict was that the organization members had heard one of the most complete and illuminating surveys of a situation ever submitted to the body.

The plan will next be taken up by the Western Insurance Bureau at its semi-annual meeting at Old Point Comfort, Oct. 10-12.

A rule of the Union rarely departed from, is to continue its president in office for two successive terms, and such practice would have been followed this year were it not for the positive refusal of J. M. Thomas, vice-president of the

Fire Association, to consider renomination. When Mr. Thomas was chosen to succeed C. A. Ludlum, vice-president of the Home, last year, he was then resident in Chicago. Since that time, however, he removed to Philadelphia, and insisted that in view of the death of E. B. Hatch, the long-time secretary of the organization and one who was thoroughly familiar with the activities of the Union and hence able to dispose of many questions without referring to other authority, it was highly essential that the president of the organization be located in the west, and preferably in Chicago.

### Flickinger Wise Choice

The force of this argument was generally recognized, and while regretting to lose the services of Mr. Thomas the members yet acquiesced in his views and unanimously elected as his successor W. B. Flickinger, western manager of the Philadelphia Fire and Marine and the former vice-president of the Union. Mr. Flickinger is one of the best known underwriters of the central west and none is more popular with the fraternity. While appreciating the honor thus conferred upon him, Mr. Flickinger does not underestimate the responsibilities of his new office, appreciating that serious as have been the problems presented the Union in times past, they are not likely to be less so in the future in view of the great growth of company competition throughout the western territory, and notably that afforded by the considerable number of new organizations that have entered the arena, each bidding actively for premiums and offering all sorts of inducements for their procurement.

### Luce Acting Secretary

In handling the work of the Union, President Flickinger will have the able assistance of Vice-President J. F. Wilbur, vice-president of the Continental and another of the outstanding figures in western fire underwriting circles, as well as of Fred B. Luce, western manager of the Providence Washington, who was induced to continue as secretary of the organization until a permanent successor to the late E. B. Hatch be secured. In passing, be it said that it will be no easy task to find one who will be able to serve the Union with anything like the ability and fidelity displayed by Mr. Hatch. His death was a severe blow to the organization and one from which it will suffer for a considerable time to come.

### Loss Bureau Satisfactory

None of the committee reports, in so far as those submitting reviews were concerned, called for action by the Union, being confined in the main to summarizing their respective activities during the past six months. The loss adjustment bureau continues, according to its committee, to function with the utmost satisfaction, fully justifying its creation and continuance, and now has the support not alone of the companies but of the great majority of the local agents in the territory, not a few of whom bitterly opposed the idea when the bureau's launching was first determined upon.

Walter C. Leach, as chairman of the committee on grain business other than in terminal elevators, said present facilities are ample to care for all line offerings, and no change in existing practice was advised.

Having concluded its labors and seeing no further need for continuance, the committee on over-organization expenses and multiplicity of types of policies, asked for and received its discharge.

After hearing memorials upon J. Montgomery Hare, former United States manager of the Norwich Union Fire; J. J. Guile, for some years United States manager of the Sun Fire office, and Charles G. Smith, late president of the Great American Fire, all of whom passed away within the past six months,

the election of officers for the new year took place and decision to hold the semi-annual gathering of the Union at Philadelphia next April was reached; thus concluding the agenda of what was held to be a thoroughly satisfactory meeting.

The good fellowship dinner, now a feature of Union gatherings, was notably successful; wholly informal, and doubly enjoyable on that account, it supplied the needed relaxation. The talk by Dr. Preston Bradley, pastor of the Peoples Church of Chicago, and a noted after-dinner speaker, afforded a fine balance of wit and serious counsel.

#### COOLIDGE TO RECEIVE ADVERTISING MEN

George Crosby, secretary of the Insurance Advertising Conference and chairman of the committee on the program for the annual convention to be held at Washington, D. C., Oct. 1 to 3, has received the information that President Coolidge will receive the members of the conference at the executive office in the White House, Oct. 3, at 12:30.

#### AGRICULTURAL UNVEILS ITS MEMORIAL TABLET

The Agricultural a few days ago commemorated the 75th anniversary of its founding by unveiling a bronze tablet on a building located at the four corners of Evans Mills where the company was founded in 1853. The Agricultural was started as a mutual company but in 1863 became a stock company. The ceremony was attended by the older home office employees and field men from various sections. Addresses were made by President Harvey R. Waite and Vice-President J. Hugh Adams. Mr. Adams has been in the service since 1869. The Agricultural kept its head office in Evans Mills

for four years and moved at that time to Watertown. The tablet says:

1853 In This Building 1828  
a Group of Prominent Farm Owners of Jefferson County Met to Organize a Company to Be Conducted Upon the Mutual Plan, Which Would Provide "a Cheap and Safe Insurance" Against Loss or Damage by Fire to the Property of Farmers. As a Result the Agricultural Insurance Company Was Chartered February 1853 Under the Laws of the State of New York. The Company's Office Was Maintained Here During Its First Year.

Erected by  
Agricultural Insurance Company on the Occasion of Its Seventy-Fifth Anniversary, February 1928.

#### Appointed State Agents

Upon his return to Philadelphia from a Pacific coast trip, Henry L. Brown, president of the Liberty Bell, announced the appointment of Henly, Scott & Burdard of San Francisco as California state agents for the company.

#### RATE REDUCING APPLIANCES

Non-Explosive Safety Cans and Automatic Oil Waste Cans

Each can bears the label of the Underwriters' Laboratories and the Associated Factories Mutual Fire Insurance Companies.

**Justrite Manufacturing Co.**  
2067 Southport Ave., Chicago, Ill.



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Look in

THE INSURANCE ALMANAC

\$3.00 per Copy

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#### Chartered 1865 The Reliable Fire Insurance Company of Dayton, Ohio

Capital .....\$250,000.00  
Surplus to Policyholders  
over .....\$960,372.00

W. H. Kuhlman, Pres. Wm. F. Kramer, Secy.  
A. R. Preisendorfer and H. J. Favorite,  
Special Agents



When new addition is completed

#### UNEXCELLED CONVENTION FACILITIES

**350 Rooms**

Rates \$1.50 Upward  
One Block from All Railroads

**ST. NICHOLAS**  
SPRINGFIELD, ILL.

#### MISSOURI KANSAS J. H. Good General Agency

REPRESENTING

Iroquois Fire Ins. Co.  
Detroit F. & M. Ins. Co.  
Minneapolis F. & M. Ins. Co.  
The State Assurance Co., Ltd.

KANSAS CITY, MO.

Agents Wanted in Unoccupied Territory

## Hotel Directory



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HOTEL**  
Insurance  
Men's  
Headquarters  
in  
Minneapolis

The best hotel in the Northwest,  
opened in 1924 contains six hundred  
rooms and first class restaurants.  
Moderate Rates Prevail  
**W. B. CLARK, Manager**

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East of LaSalle CHICAGO  
Insurance Headquarters

Brevoort Hotel upholds  
worthily the best traditions of  
American hotels famed for hos-  
pitality.

*When in  
Omaha*  
**Hotel Conant**  
New—Fireproof  
250 Rooms with Bath  
Rates \$2 to \$3

**CEDAR RAPIDS, IA.  
HOTEL ROOSEVELT**  
Rates: Room without Bath with private Lav-  
atories \$1.50 and up. Rooms with Bath, Shower  
or Tub \$2.50 and up.  
E. G. KILL, Mgr.

### The Hotel Baltimore



500 Rooms

RATES  
Room without Bath—  
\$2.00 and up  
Room with Bath—  
\$2.50 and up  
Double Room with Bath—  
\$4.00 and up

Marble Coffee Shop  
TABLE D'HOTE  
Lunch ..... 75c  
Dinner ..... 65c to \$1.25  
Also A la Carte Service

### THE London & Lancashire Insurance Company Limited of London

HENRY W. GRAY, U. S. Manager  
Hartford, Conn.

CHARLES E. DOX, Manager  
Western Department  
223 West Jackson Boulevard  
Chicago, Illinois

GEORGE O. SMITH, Manager  
San Francisco

"Insurance Men's Headquarters"  
LOS ANGELES, CAL.

### Hotel Hayward

Sixth and Spring Sts.



Rates from \$2.50 per day with bath

POPULAR PRICED COFFEE  
SHOP AND GRILL  
H. C. FRYMAN, Proprietor

HARRY C. WAGENER  
RUSSELL H. WAGENER  
Managers

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Los Angeles

No Hotel in the World Offers More Varied Attractions  
Superb 27-acre park, with miniature golf course, open-air plunge and tennis courts. Riding,  
hunting and all sports, including 18-hole Rancho Golf Club. Motion Picture theater and  
35 smart shops within the hotel. Famous Cocosnut Grove for dancing nightly.

Write for Chef's Cook Book of California Recipes and Information.

8-1a

Ben L. Frank, Manager



## THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; H. E. WRIGHT and NORA VINCENT PAUL, Vice-Presidents; WILLIAM A. SCANLON, Southwestern Mgr. GEORGE C. ROEDING and O. E. SCHWARTZ, Asso. Mgrs.

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HOWARD J. BURRIDGE, Associate Editor  
FRANK A. POST, Associate Editor

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E. R. SMITH, Statistician; ABNER THORP, JR., Director Life Insurance Service Dept.

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Associated Business Papers, Inc.

National Publishers Assn., Inc.

### Reciprocalism Becomes a "Racket"

RECIPROCALISM apparently has run its course as a legitimate kind of business and has now become a "racket." It would seem that the few remaining decent reciprocals should soon find it to their advantage to join with the stock company men in seeking adequate laws to prevent the bilking of the public under the name of "Reciprocal Exchange." Heretofore the passage of adequate laws has been prevented by the opposition of the leading reciprocals. If the reciprocal form of organization is to be used for open swindles those exchanges that aim to conduct an honorable business will suffer by being in the same class. For their own protection they may seek to supervise the laws that they have fought in the past.

Recently agents and brokers in Chicago were circularized concerning an alleged reciprocal which purported to offer plate glass insurance on closed cars at \$10 per car. The charge in the stock companies for the same insurance is only \$6 per car. The purported power of attorney openly gave the attorney in fact 50 percent of the premium. Naturally those policyholders who are victimized to the extent of \$4 are not aware that half of the \$10 charge goes to their employe, the attorney-in-fact. They do not even know that the attorney-in-fact is their employe.

More recently a circular has been reaching Chicago agents and brokers of another concern. The circular offers 35 percent commission on automobile insurance, with rates 20 percent below conference. It also offers 50 percent commission on 50-50 plate glass policies with 35 percent commission on full coverage plate glass policies, also with a 20 percent reduction in rate. The circular alleges that the policies are not assessable.

The circular is extremely frank in its appeal to raw graft. It says: "Like all business men you are in business to

make money. No business man sells his product for less than what he can get—not if he is a good business man. Join the hundreds of brokers who are doubling their income with us."

The agent or broker who accepts a proposition like this knows that he is doing an injustice to his own policyholders. In a stock company, the company is bound to pay the losses out of its own money, regardless of whether it has enough left out of the premiums to pay losses or not, after taking care of commissions and expenses. In a reciprocal there is no money except that belonging to the policyholders, and there is none available to pay losses except what is left out of premiums. If a broker accepts 50 percent or even 35 percent on a reciprocal premium, after a 20 percent cut from standard rates, he knows that there is very little left for the payment of normal losses. He would not dare tell his policyholders that he was weakening the little protection there is behind such a reciprocal policy by taking for himself one-half of what the policyholder pays him, or 35 percent of that amount.

If an agent takes 50 percent from a customer on such a transaction without telling him what the "racket" is he is a plain crook.

Every crooked insurance scheme that has come along in recent years has gotten business out of agents and brokers who masquerade as legitimate insurance men. The swindling Lloyds that were so active in Chicago a couple of years ago had "strong" connections in the Insurance Exchange. Representatives openly operate in the building in the interest of the foreign underwriters that claim to be taking \$2,000,000 a year in premiums from the American people. To the disgrace of insurance, every shady insurance scheme seems to find shady agents and brokers to help in swindling their customers.

### Learn from Experience

We can learn much by experience if we seek to profit from its lesson. JOHN WANAMAKER once said that every man starting out in business will have to go over a hard road and find its turnings

for himself. But, he added, he need not go over the road in the dark if he can take with him the light of other men's experience. It is a thought that is well worth remembering.

## PERSONAL SIDE OF THE BUSINESS

Joseph M. Biggert, who is to retire Oct. 1 as special adjuster in New York City for the Aetna and World Fire & Marine, after 25 years of service with the parent organization, plans an early trip to Florida, where he will likely spend the winter, returning to his home in Glen Ridge, N. J., in the spring. Mr. Biggert has been a resident in the latter community for a number of years, and has as a near neighbor Arthur Hurrell, vice-president and general counsel of the Prudential of Newark. Incidentally Mr. Hurrell is mayor of Glen Ridge.

J. D. Vail was the guest of honor at a dinner given by 35 of his friends at the Brevoort Hotel in Chicago last Monday evening. Ralph Rawlings of Rawlings & Hewett, western managers of the Boston and Old Colony, presided as toastmaster. Mr. Vail will retire on Oct. 1 as assistant western general agent of the Hartford and associated companies in charge of automobile business. He has been one of the outstanding automobile underwriters of the middle west, having served for two terms as president and for two terms as chairman of the executive committee of the Western Automobile Underwriters Conference.

At the dinner Monday evening were many automobile superintendents and also a number of managers and assistant managers. There were short talks by W. A. Chapman, manager Fireman's Fund; Fred J. Sauter, Cook County manager Aetna; W. H. Lininger, associate manager Springfield; Ben P. Branham of the Ben P. Branham Printing Co.; C. D. Greene, Chicago adjusters; Clarence A. Rich, manager Underwriters Adjusting Company; Alvin Keys, Springfield, Ill., local agent; C. F. Thomas, manager, World Fire & Marine; H. A. Miller, president Western Automobile Underwriters Conference and assistant western manager of the North America; E. A. Henne, western secretary America Fore companies; E. H. Whittaker, manager automobile department Queen; John L. Mylod, manager automobile department North British & Mercantile; E. L. Rickards, manager Western Automobile Underwriters Conference; Harry M. Hansen, Chicago local agent, and Howard J. Burrage of THE NATIONAL UNDERWRITER.

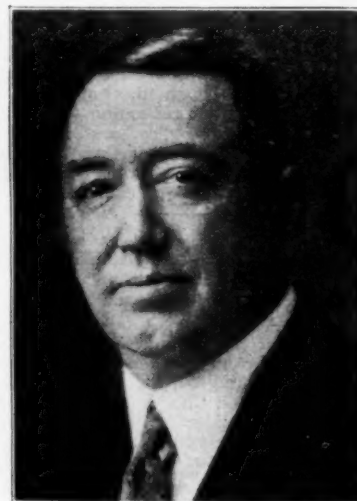
Mr. Vail was presented with a handsome set of matched golf clubs and bag, and an engraved testimonial which was signed by all those attending the dinner.

On the preceding Friday evening, Mr. Vail was given a dinner by his associates of the Hartford Fire. He will take up his residence in Los Angeles shortly after Oct. 1.

A. B. Roome, vice-president of the Independence Fire, left last week for a vacation in the wilds of Canada.

William M. Railey, Jr., New Orleans general agent, was killed by an accidental discharge of his gun while hunting. He was the son of William M. Railey, one of the veteran fire insurance men of New Orleans.

The newly elected president of the Indiana Association of Insurance Agents, Atwood L. Jenkins, started out as a railroad man. He graduated from Earlham College in 1891 and secured a position with the Pennsylvania Railroad where he spent nine years in the civil engineering department and three years in the claim department. In 1903 he secured an interest in Dougan & Co. insurance agency at Richmond, Ind. The business continued under the name of Dougan & Co. until January, 1911, when the name was changed to Dougan, Jenkins & Co. In 1926, Mr. Douglas having died, Mr. Jenkins with his brother,



ATWOOD L. JENKINS  
President Indiana Association of  
Insurance Agents

A. Will Jenkins, changed the name of the company to Jenkins Brothers. Since assuming the management of the office Mr. Jenkins has increased the premium income of the agency a little better than 800 percent. Mr. Jenkins has been a member of the state association for 25 years, serving two years in its early history as secretary.

Mr. Jenkins' brother, C. Francis Jenkins, is a prominent radio inventor in Washington, D. C.

In the issue devoted to the Michigan Association of Insurance Agents meeting the statement was made that Charles H. Luce of Detroit had retired from active service. This is incorrect. Mr. Luce has not been so active during the last two or three years on account of age and health, but he has no idea of giving up active work.

Allan Kennedy, of the Kennedy-Albers Agency, Fort Smith, Ark., former president of the Arkansas Association of Insurance Agents and well known throughout the state, is in Rochester, Minn., where he underwent an operation at the Mayo Brothers clinic. He is reported to be improving.

Kit Wilson of Kansas City, Mo., formerly state agent of the American of Newark, who is now head of the insurance department of the Shryock Realty Company, is recovering from an appendicitis operation in a hospital there, and expects to be back at his work in a short time.

C. W. Carroll, for the past 17 years manager of the South Bend branch office of the Indiana Inspection Bureau, is at the Mayo hospital in Rochester, Minn., recovering from an operation.

Vincent L. Mulvehill, who had been doing inspection work for the Corroon & Reynolds companies in New York City, has been appointed general inspector for the group. He is now in Nashville looking into risks in that city. Mr. Mulvehill is a son of Vice-President J. H. Mulvehill of the Globe & Rutgers.

Edward Inglis, vice-president of the Corroon & Reynolds companies, leaves today upon an extended trip through the southwest and along the Pacific coast. He intends, within the next six weeks, to make a close survey of underwriting conditions with a view to developing the interests of the organization with which he is associated.



## *The Difference lies in SERVICE*

THE highly developed insurance policy of one reputable company is essentially like that of another, in this year of 1928.

The great difference lies in the service:

- in the way a policy's invaluable protection is made to fit your peculiar needs.
- in the professional counsel you receive regarding its functions.
- in the manner in which you are relieved of insurance detail and worry.
- in obtaining for you the best possible policy, with the greatest possible security and the best possible protection.

In a word, the policy becomes more valuable when your insurance agent is competent, energetic, enthusiastic.

*The Employers' Group representative in your locality is such a man. He has been selected with extreme care to carry on their policy of "the service that satisfies." You may depend on him, as an ever-increasing number of Employers' policy holders are doing, the country over*

Write for our Booklet—"What Is It and What of It"  
This insurance primer gives briefly the whys and wherefores of modern insurance. Your request will place you under no obligation—nor will a representative call unless you so specify

## THE EMPLOYERS' GROUP

*Practically every kind of Insurance except Life Insurance*

110 MILK STREET

BOSTON, MASS.

AMERICAN  
EMPLOYERS'  
INSURANCE COMPANY



THE  
EMPLOYERS'  
FIRE INSURANCE COMPANY

THE  
EMPLOYERS'

LIABILITY ASSURANCE CORPORATION, LTD.

*There's an Employers' Group Representative in Your Neighborhood*

THE above advertisement is a facsimile of that appearing in current issues of the *Atlantic Monthly*, *Harper's*, *Review of Reviews*, *Scribner's*, *World's Work*, and the *Golden Book*—yes, THE EMPLOYERS' GROUP believes in the American Agency system. We believe that such advertising will benefit the insurance business. We believe that it will benefit particularly the representatives of THE EMPLOYERS' GROUP.

We are proud of the growth of our agency force. We are proud of the large number of loyal agents who have been associated with us for many, many years. At the same time we are glad to say that some agency connections are still available for the competent insurance man.



# FIRE INSURANCE NEWS BY STATES

## OHIO AND WEST VIRGINIA

### BLAIN TELLS EVANS STORY

Cincinnati Local Agent Relates Interesting Incident Concerning Former President of the Continental

Frank J. Blain, veteran Cincinnati local agent, for many years sole agent of the Continental in Cincinnati during the years when that great triumvirate, F. C. Moore, Henry Evans and "Ed" Lanning, held forth at the head office of the company, recalled the other day an incident which occurred back in 1901 and brought out one of the strong characteristics of the late Henry Evans, whose picture he still keeps on his desk. In 1901 Mr. Lanning was the secretary and underwriting manager, but in August each year he took his vacation. His desk was then occupied by Vice-President Evans, who was himself, as everyone knows, a very careful and shrewd underwriter. Mr. Blain sent in the daily report on a \$15,000 policy on a certain first class risk in Cincinnati, a fine building recently completed. Mr. Evans looked up the map and found the location shown as that of an old frame livery stable, which, however, had been replaced by the aforesaid new building, but not corrected on the map. He promptly wired Mr. Blain ordering the cancellation of the policy. Mr. Blain wrote and explained that there was a new building on the site, and refused to cancel it.

#### Letter Sent to Evans

His letter took somewhat of this form: "I am wearing out my shoe leather in Cincinnati securing risks for the Continental and you are holding down a chair in the New York office shining the seat of your trousers and cancelling my business." Mr. Evans evidently did not like the tone of this letter and insisted upon the cancellation of the risk. John G. Monrose, then special agent of the Continental in Ohio, and now a successful independent adjuster in Philadelphia, went to Cincinnati a day or two later and being told of the mistake in the map, wrote Mr. Evans that the risk was perfectly good. Mr. Evans still insisted that it be cancelled. Then one of Mr. Monrose's assistants came along and he also inspected the risk, reporting to the company that it was a good one. This still did not satisfy Mr. Evans.

#### Lanning Gave His Approval

Then Secretary Lanning happened to be in the city a short time after and on petition of Mr. Blain, he as underwriting head of the company, authorized the continuance of the risk and also its renewal at expiration. This settled the matter so far as the risk was concerned, but for six long years Mr. Evans showed no disposition to resume personal relations with Mr. Blain. Finally, after about six years, Mr. Blain was at the home office in New York and Mr. Evans sent word that he would like to see him. He went into his office and a pleasant conversation and visit of about two hours ensued, during which not a single word was said concerning the long standing coolness between the two men. After that Mr. Blain and Mr. Evans were again friends.

#### Tax Case Under Advisement

The Court of Appeals at Columbus, O., has taken under advisement the Metropolitan Life case, which involves the collection of the extra one-half of 1 percent tax levied on foreign insurance

companies by the Ohio legislature. The case was appealed from the Common Pleas Court. The new law increases the tax from 2½ percent to 3 percent.

#### Establishes State Office

James R. Millikan, president of the Ohio Insurance Federation, announces that the organization has established state headquarters in Columbus at Suite 206, 39 West Broad street. Mrs. Mary L. Fletcher, for a number of years connected with the Insurance Federation of America, is to be the executive secretary. An intensive membership drive will be undertaken at once. A little later plans will be made for a state meeting. The Ohio Federation is entering upon a period of greatly increased activity.

#### Will Have Ohio Special

The Queensland, which has entered Ohio, will appoint a special agent in the state. W. J. Comans, 60 Beaver street, New York, is the United States manager.

#### Say Compulsory Plan Favored

Some of those soliciting membership in the Ohio State Automobile Association have been using as one of their selling arguments the statement that the organization is working for compulsory automobile insurance.

#### Plan Fire Prevention Bureau

TOLEDO, O., Sept. 26.—Mayor William T. Jackson favors the establishment of a fire prevention bureau and a training school for firemen along with the mem-

bers of his cabinet and officials of the Toledo Safety Council. This is the result of an inspection trip to similar institutions in Detroit. The Detroit bureau has aided materially in eliminating fire hazards and through its arson bureau has decreased the number of fires of incendiary origin.

#### Ohio Blue Goose Contests

At the Ohio Blue Goose outing at Cody's farm in Kentucky opposite Cincinnati the single men defeated the married men 14 to 9. In the track events Mr. Powers won the old man's race while Mr. Jones won the fat man's race. The most exciting race of the day was for the 50-yard championship, open to all contestants. Penny, the tri-state 50-yard dash champion, who is now with the Western Adjustment at Cincinnati, and Bredburg, former Chicago athlete and now with the North America, drew away from a field of 15 and finished a tie. The two men decided to run off the tie, but in the next race they tied again. There were two agents as guests, they being Fred Meeker of Franklin and D. W. Snider of Middletown.

#### Ohio Notes

The Ohio field clubs will hold their monthly meetings in Columbus next Tuesday.

Firemen from nearby communities saved the village of Port William, O., from being destroyed by fire this week. The fire started in the Caraway restaurant. The loss was placed at \$20,000.

J. Harvey Black of New Carlisle, O., an old Ohio insurance agent, died this week. He represented the Queen, Aetna, Home and Pennsylvania. It is understood that J. Frank Johnston of New Carlisle will take over his companies.

Fire caused a loss of \$30,000 this week in the plant of the B. Klinker Chair Company in Cincinnati. At Gallipolis the chair factory of the Gallipolis Chair Company was damaged to the extent of \$20,000. Other buildings were damaged, the lack of sufficient water pressure handicapping the firemen in their efforts.

## CENTRAL WESTERN STATES

### MUST ELIMINATE OIL HAZARD

Governor Green of Michigan Threatens Drastic Action Unless Muskegon Fields Are Protected

LANSING, MICH., Sept. 26.—Clean-up of fire hazards in connection with the development of Michigan oil properties will be demanded in no uncertain terms by the state government, it was indicated here this week when oil operators, inspectors and officials of state and federal bureaus conferred with Governor Fred W. Green in relation to conditions existing at the Muskegon field.

The governor bluntly informed the gathering that the state would exercise supervision over the petroleum and gas producing areas of the state and would demand that regulations of the state conservation department be carried out to the letter even if such regulation required calling out of the national guard. Waste of the natural resources of the state through unscientific methods and carelessness by the operators together with the dangerous fire perils which are said to have arisen were roundly condemned and the executive said that the lack of a few technical legislative points would not be permitted to stand in the way of protective steps by the state. The discovery and development of several Michigan fields have been such recent events that suitable legislation fully to care for state supervision has not yet been enacted.

#### Geologist Cites Danger

R. A. Smith, state geologist, has been much concerned with the situation as

he found it at Muskegon. "The oil-soaked fields," he said, "constitute a constant danger and if a fire should break out no one would be able to estimate the loss." The small operators, Mr. Smith said, are least ready to take the proper precautions against fire, and he also criticized their prospecting methods.

As a result of the charges aired against the small operators it was decided at this week's conference to require that any would-be small operators in the future pool their interests at least to the extent of obtaining holdings totaling five acres before being permitted to begin boring for oil. A state inspector will also be obtained immediately, it was agreed, and every necessary step will be taken by the state to conserve the natural petroleum resources and prevent a disastrous fire which might virtually wipe out the field. The Muskegon field has within a few months become enormously important, particularly, as a gas producer, the entire city now being served with natural gas from the field.

#### Tell of Grand Rapids Plan

LANSING, MICH., Sept. 26.—A chain of Michigan newspapers is running a series of fire prevention articles placing emphasis on the beneficial effect of neighborhood meetings conducted by members of the fire department in various cities. These meetings bring to every householder a message of fire prevention and the value of eliminating unnecessary careless fires which make up such a large proportion of the nation's fire loss. This plan has proven successful in Grand Rapids. At the neighborhood meetings the assistant fire marshal and fire captain tell of local

conditions. The speaker explains just how the fire started in Mr. Jones' house down the street and he gives a list of the careless fires during the week or month, and tells how they could have been prevented.

#### Many at Agency Meeting

KALAMAZOO, MICH., Sept. 26.—The Farmers & Mechanics Agency, general agents and managers for this territory of the Netherlands and Bankers Indemnity, participated in an enjoyable field day and sales get-together last week. In addition to this state, Ohio, Illinois, Wisconsin and Indiana were represented, the total attendance approximating 75. Several high company officials were present to join in the festivities and appear at the business meeting, including James W. Knox, assistant United States manager of the Netherlands; W. K. O'Connor, superintendent of the automobile department, Walter Wolf, state agent. Another was John C. Hyde, Chicago resident manager of the Bankers Indemnity.

#### Plan Improvement in Protection

HARBOR BEACH, MICH., Sept. 26.—A special meeting was held here this week to discuss purchase of new fire-fighting equipment. An inspection of the fire apparatus at Bad Axe, a neighboring community, was made by city officials and it was informally agreed before the meeting that similar equipment should be installed here. Citizens were invited to the meeting to voice their opinion. It is anticipated that the outcome of the gathering will be a complete modernization of the local department.

#### Lake County Association Meets

Members of the Lake County Association of Insurance Agents, of which Paul Knight of Crown Point, Ind., is president, met recently. Larger insureds of the county were invited to a banquet, which preceded the business meeting. James W. Fish of Gary was named to serve on the state advisory committee. The association ratified the action of the executive committee regarding membership dues and assessments. The county association was formed last July and has a prospective membership of 75 from Gary, Hammond, Whiting, East Chicago, Hobart, Griffith and Crown Point.

#### Represent No Mutuals

Through an error in the new Illinois Handbook, Geo. W. Bradshaw & Son, agents at Herrin, are shown as representing certain mutual companies, which the agency does not represent. The Bradshaw agency writes that it does not represent mutuals.

#### Quincy Board Picnic

The Quincy, Ill., Board held its annual picnic at Eagles Alps north of the city. There were a number of outdoor sports indulged in. A baseball game was played with E. F. McAdow of the Great American as umpire. William P. Rearden, executive special agent of the Netherlands, assisted Mr. McAdow in his dangerous duties. W. A. Diller of the Fireman's Fund in running stepped on a pop bottle and broke his ankle in two places. He is now confined to his home in Decatur.

#### Central West Receivership Ended

The affairs of the Central West Fire of Bloomington, Ill., which has been in voluntary liquidation since 1922, have finally been wound up and H. P. Gardner, promoter of the company, who also has been acting as receiver, has been discharged from further responsibilities by the court.

#### Form Speakers Bureau

A speakers' bureau, whose members will be available for talks at local board and fire prevention meetings and other gatherings, has been formed by the Illinois Field Club. Following members of the club are serving on the speakers' bureau: J. T. Harding, Millers National; J. B. Tetlow and W. E. Schreiber, American of Newark; J. D. LaTeer, Agricultural; Frank Smith, National Union;

## LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President  
A. H. HASSINGER, Vice President

JOHN KAY, Vice President and Treasurer  
WELLS T. BASSETT, Vice President

### JANUARY 1ST, 1928, STATEMENTS

ORGANIZED 1855  
**FIREMEN'S INSURANCE COMPANY**  
OF NEWARK, NEW JERSEY

| ASSETS          | LIABILITIES     | CAPITAL        | NET SURPLUS     | SURPLUS<br>POLICYHOLDERS |
|-----------------|-----------------|----------------|-----------------|--------------------------|
| \$40,000,136.83 | \$19,459,279.01 | \$7,500,000.00 | \$13,040,857.82 | \$20,540,857.82          |

ORGANIZED 1853  
**THE GIRARD F. & M. INSURANCE COMPANY**  
OF PHILADELPHIA, PA.

|                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|
| \$6,000,966.28 | \$2,930,594.84 | \$1,000,000.00 | \$2,070,371.44 | \$3,070,371.44 |
|----------------|----------------|----------------|----------------|----------------|

ORGANIZED 1854  
**MECHANICS INSURANCE CO.**  
OF PHILADELPHIA, PA.

|                |                |              |                |                |
|----------------|----------------|--------------|----------------|----------------|
| \$4,828,245.29 | \$2,820,808.68 | \$600,000.00 | \$1,407,436.61 | \$2,007,436.61 |
|----------------|----------------|--------------|----------------|----------------|

ORGANIZED 1866  
**NATIONAL-BEN FRANKLIN FIRE INS. CO.**  
OF PITTSBURGH, PA.

|                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|
| \$4,907,721.63 | \$2,557,216.60 | \$1,000,000.00 | \$1,350,505.03 | \$2,350,505.03 |
|----------------|----------------|----------------|----------------|----------------|

ORGANIZED 1871  
**SUPERIOR FIRE INSURANCE CO.**  
OF PITTSBURGH, PA.

|                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|
| \$4,835,369.35 | \$2,520,317.56 | \$1,000,000.00 | \$1,315,051.79 | \$2,315,051.79 |
|----------------|----------------|----------------|----------------|----------------|

ORGANIZED 1870  
**CONCORDIA FIRE INSURANCE CO.**  
OF MILWAUKEE, WIS.

|                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|
| \$5,250,424.26 | \$2,567,447.92 | \$1,000,000.00 | \$1,682,976.34 | \$2,682,976.34 |
|----------------|----------------|----------------|----------------|----------------|

ORGANIZED 1886  
**CAPITAL FIRE INSURANCE CO.**  
OF CONCORD, N. H.

|              |          |              |              |              |
|--------------|----------|--------------|--------------|--------------|
| \$760,298.04 | \$375.00 | \$300,000.00 | \$459,923.04 | \$759,923.04 |
|--------------|----------|--------------|--------------|--------------|

TOTAL OF ASSETS  
**\$66,583,161.68**

TOTAL OF LIABILITIES  
**\$32,856,039.61**

TOTAL NET PREMIUMS  
**\$25,684,495.78**

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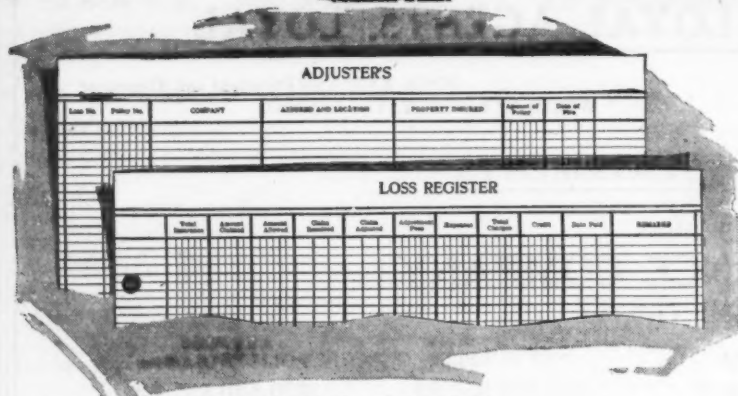
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Double Page—Form 811J

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### Make Fire Prevention Talks

Among Indiana field men who will make fire prevention talks in Fire Prevention Week are Charles J. Richman, Indiana state agent of the American, who will address the Kokomo Chamber of Commerce at luncheon, Oct. 12, and O. E. Green, Indiana state agent of the Providence Washington, who is to talk at a civic affairs division luncheon of the East Chicago Chamber of Commerce, Oct. 11.

### Michigan Notes

The Flint Home Builders' Association, Flint, Mich., which has just filed articles of incorporation, includes in its powers the operation of an insurance agency. Authorized capital is \$2,000 and incorporators are Claude W. Haywood, Wallace C. Ross and Ernest C. Robinson, all of Flint.

Thomas Pezzino was sentenced to five to twenty years' imprisonment in Detroit following his conviction on a charge of arson. Pezzino was seen running from the residence of Thomas Simone after an explosion had developed the place in

flames. Firemen discovered five cans which had contained gasoline and a small keg which had been filled with the same liquid.

### Illinois Notes

John H. Ward of Joliet, Ill., died last week. Mr. Ward was 88 years old and a veteran in the insurance agency business. Mr. Ward fought in the Civil War.

### Indiana Notes

Articles of incorporation have been filed with the secretary of state in Indianapolis, by the Scoble Agency, of Richmond, Ind. The incorporators are Leo L. Matlack, John S. Matlack and Donald H. Bell.

The insurance agency partnership of Mansfield & Secrest, Bloomfield, Ind., has been dissolved. W. H. Mansfield has sold his half interest to his partner, K. J. Secrest. Mr. Mansfield has been in ill health for some time.

Three well known agents in Muncie, Ind., have merged their business in one agency to be known as the Ault Insurance Agency. J. Harve Lefler, W. P. Gilmore and T. J. Ault are the three men. R. E. Ault will be general manager of the agency. The company will write all kinds of insurance.

## STATES OF THE NORTHWEST

### SOUTH DAKOTA RATES LOWER

**Bureau Makes General Reduction but Especially Favors Cities in Black Hills District**

PIERRE, S. D., Sept. 26.—Commissioner Don C. Lewis has announced that the General Inspection Bureau has consented to a revision of fire insurance rates for the state, effective after Oct. 1 but retroactive to May 21.

The reduction is general over the whole state, but makes radical changes in rates for towns in the Black Hills section of the state, which have been placed upon an entirely new rating basis.

The reduction in towns under classifications 1 to 6 is 4 cents from the schedule of Jan. 1, 1923, and 2 cents from the schedule of May 21, 1928. In towns and cities in classes 7 and 8, the reduction is 6 cents from the 1923 schedule, and 4 cents from the May 21 schedule. Class 9 towns receive a reduction of 2 cents from the May 21 schedule.

#### Custer Most Fortunate

The heavy reduction comes in reclassification of a number of Black Hills towns. In Belle Fourche, Hot Springs, Spearfish and Whitewood the reduction is from 42 cents on frame buildings with shingle roof to 26 cents. In Deadwood on the same class of buildings the cut is 80 cents to 54 cents; in Lead on the same class of buildings the cut is from 60 cents to 52 cents. Custer gets the greatest relief with a cut from 90 cents to 38 cents on frame dwellings with shingle roof. All the towns get proportionate reductions on other classes of residence property.

Commissioner Lewis in summing up the situation gives credit for the reduction to the work of the inspection program of the fire marshal's department, which includes not only inspection of mercantile and public building risks, but also the inspection of fire departments, resulting in increased efficiency. He pledges that the inspection work will continue and hopes that it will be the cause of further reductions in fire insurance rates, based on the decreased fire loss through such work.

### North Dakota Hail Claims Higher

Claims at the state hail department for the season just closed totaled 3,654 more than those made in 1927. Claims throughout North Dakota this year totaled 20,434 as compared with 16,780 last year. The total amount of indemnity of the season just closed has not been determined, as many cases have not been settled. Claims for the two weeks ending Sept. 14 were perhaps the lightest of the season.

### NAME WISCONSIN SPEAKERS

**Lott, Wilbur and Barry Will Be on Insurance Day Program Oct. 24**

MILWAUKEE, Sept. 26.—Three outstanding men in the insurance business have been secured by the Insurance Federation of Wisconsin for the third annual Insurance Day, Oct. 24, according to Henry F. Tyrrell, chairman of the speakers' committee.

Edson S. Lott, president of the United States Casualty, and member of the committee of nine on compulsory automobile insurance, will address the meeting on that subject.

Harry Curran Wilbur, fire insurance consultant, Chicago, has been secured to represent the fire insurance end of the business.

James V. Barry, vice-president of the Metropolitan Life, will be toastmaster at the banquet which will bring the insurance day to a close.

In connection with the banquet, the only speaker will be the humorist who is to be announced later. The feature of the banquet will be that it will be "speakerless." A large bill of entertainment has been arranged for and it will be a gala affair. Other speakers who will be on the program for insurance day will be announced later by Mr. Tyrrell, when final negotiations with them are completed.

### Need Fire Prevention Bureau

MINNEAPOLIS, Sept. 26.—Members of the city council were shown the need of a fire prevention bureau with arbitrary powers when they made a tour of the business section under the guide of City Fire Marshal George Wilson.

Mr. Wilson pointed out numerous places where conditions need correction, he said, but his department at present has not the authority to order them corrected. An ordinance is pending which would create a fire prevention bureau with sufficient powers to compel owners to keep their premises in proper condition.

Many of the buildings visited by the council members are said to be fire hazards. Some property owners are opposing the new ordinance.

### Town Without Fire Department

Langdon, N. D., is apparently still without an organized fire department. Mayor Liebele claims he has a new department organized but is withholding names of members and several citizens who claim to have investigated deny he has a department and want to call a mass meeting to bring the matter to a head. Others who fear a raise in insurance rates with an inexperienced department want the mayor recalled. The situation daily is becoming more tense.

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### Schrock Milwaukee Manager

C. W. Schrock, formerly assistant manager of the Milwaukee branch office of Wilson S. Levens & Co., independent adjusters, Chicago, has been made manager there, succeeding John F. Sheahan. Mr. Schrock was at one time associated with the Security Finance Company of Milwaukee. He is a graduate of the law school of the University of Wisconsin and has been thoroughly trained to handle all forms of automobile losses and claims.

### Changes Madison Manager

MADISON, WIS., Sept. 26.—H. U. Brown, who has been manager of the Madison branch office of the Wisconsin Inspection Bureau, has resigned his position to become associated with the Hardware Dealers Mutual of Stevens Point, Wis. Mr. Brown has been manager at Madison for about a year and previous to that was manager at Eau Claire for about five years.

B. F. Church, who has been a special risk man with the bureau for the past nine years, has been appointed manager at Madison to succeed Mr. Brown.

### Plan to Extend Protection

MILWAUKEE, Sept. 26.—Fire protection and the maintenance of the fire department will cost Milwaukee taxpayers \$2,554,130 in 1929 if the budget request of Fire Chief Steinkellner is granted by the board of estimates. It represents an increase of \$712,398 over the budget for 1928.

The chief asks \$300,000 for a pipe line system on the south side which would be a high pressure system to replace the present one that is not below the frost line. The United States government has condemned one of Milwaukee's fire boats and the high pressure system is necessary to protect the south side. It would cost \$250,000 to replace the fire boat.

A request for \$200,000 to build a new engine house for Engine Company No. 1

is also made, the plan being for the house to be the quarters of the chief, the inspection bureau and an assembly hall. A site at east State street and Broadway has been owned by the city for several years. A new station is also asked for North Milwaukee, which has just come into the city.

### Daniel to Address Field Club

MILWAUKEE, Sept. 26.—At the quarterly meeting of the Wisconsin Fire Underwriters Association, Union field men's organization, to be held in Milwaukee in October, Frank R. Daniel, chief engineer for the Wisconsin Inspection Bureau, will speak on some of the present day hazards. This address will be the first of a series which President Charles Hutchinson is arranging for each of the quarterly meetings, on important underwriting problems.

Mr. Hutchinson stated that the association is making an exceptionally fine showing in the handling of delinquent agency accounts. Meetings called for consideration of this important matter have received practically unanimous support by the members.

### Dakota Notes

Fire believed to have been caused by a carelessly thrown cigarette destroyed the large barn at the Fort Totten Indian reservation, 18 miles southwest of Devils Lake, N. D. Included in the estimated total loss of \$25,000 were 14 horses, 60 tons of hay, small machinery, harness and other equipment.

Fire of undetermined origin damaged a large part of the Marmon sales agency garage, Fargo, N. D., also destroying stock of automobiles and supplies and doing heavy damage to the other cars stored in the building. The east half of the building, a structure 120x90, one-story high, was practically gutted. Twelve cars stored in the work room section are a total loss.

### Wisconsin Notes

Edward Hooker, local agent at Wau-pun, Wis., was married recently to Miss Lucille Elizabeth Dusty at LaCrosse, Wis.

The stock of the August Hanson Furniture store at Eau Claire, Wis., was destroyed on the night of Sept. 19 and the

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Contrast the guess to the absolute insurable values arrived at by a Lloyd-Thomas appraisal.\*

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two-story brick building wrecked. The estimated damage to the stock is \$75,000 and damage to the building may reach \$50,000.

The plant of the Lomira Manufacturing Co., at Lomira, Wis., 20 miles south of Fond du Lac, Wis., was destroyed last week with a loss of \$150,000. Dust exploded and started the fire. The main building and two smaller structures were

destroyed. The plant was covered by insurance.

Fred O. Hesse, former field man in Wisconsin, well known among the insurance fraternity of the state, has received the condolences of his many friends on the death of his mother, Mrs. Emma Hesse, at her home in Milwaukee. Mrs. Hesse was 70 years old and had been ill for a long time.

## IN THE MISSOURI VALLEY

### HAIL LOSSES HIT MUTUALS

**Kansas Insurance Commissioner Advised That Few Managers Intend to Renew Their Certificates**

TOPEKA, KAN., Sept. 26.—There may be only one or two, possibly no mutual hail company operating in Kansas next year. The 1928 season has been so bad that the managers of most of the companies which operated in the state this year have advised the insurance department that they do not intend to renew their certificates for 1929 so far as the hail business is concerned.

Just how much pro-rating of the losses will be necessary is not known at the present time. Most of the companies have large amounts in premium notes which are just coming due and the companies are making collections. The pro-rating of the losses cannot be determined until the notes are collected. Nearly all of the companies have losses far exceeding the amount of the outstanding notes. A few of the mutuals have small surplus accounts, but so far as known none of these is sufficient to make up the losses sustained this year. The Farmers Union Mutual is regarded as in the best financial condition of any of the companies. It has a large surplus and may be able to make good on all of its losses.

### Suffered Greatest Losses

The mutual and stock companies suffered the greatest losses in their history in Kansas this year. They went up against an almost record breaking wheat crop, a fine oats crop and the best corn crop in many years. The hail was heaviest in central and western Kansas and caught every section of the state. The result was that mutual and stock companies alike have losses far in excess of their premium income on the hail business. This came even with marked increases in rates in some sections, due to the changing of the rate zones last year.

Some of the stock companies are expected to withdraw from the hail field in central and western Kansas also. Some of the special agents have advised their local agents that they did not expect to write hail lines next season. Several companies were not in the hail business during 1928, as they had a bad experience last year.

The insurance department expects to have some large increases in rates throughout the state for next year.

### Hail Fund May Pay Out

LINCOLN, NEB., Sept. 26.—While figures have not yet been prepared, Commissioner Dumont believes that the state hail insurance fund will pay out in full this year. One reason is that it has fallen into such disrepute that premium receipts were but \$20,000 during the season, which closed Sept. 15. Several claims for damages are yet to be adjusted, but instead of the 85 percent that the fund paid last year, it is safe to put the payments in full, says Mr. Dumont. The state fund carries a constantly decreasing portion of the coverage in this state.

### National Board Inspects Lincoln

LINCOLN, NEB., Sept. 26.—Revision of fire insurance rates in Lincoln is expected to follow the inspection now being made by representatives of the National Board. W. H. Baldwin of the Nebraska Inspection Bureau is being aided in the work by George Tattall of Chicago, specializing on water supply,

adequacy of mains and sufficiency of plant; W. S. Rathbun, Chicago, specializing on the adequacy or inadequacy of fire department equipment, man power and sufficiency of service, and J. T. Cook, who is centering his studies on fire hazards in connection with buildings and also examining electrical wiring.

### Blue Goose Aids Florida Relief

KANSAS CITY, MO., Sept. 26.—The Heart of America Blue Goose donated \$50 to the Red Cross relief fund for Florida hurricane victims at its luncheon Monday. This was the first of the regular weekly luncheons for this season. O. D. Cox was chairman and a good attendance of more than 45 members marked the opening meeting. James R. Curran was appointed chairman for next week.

### Harris at Omaha

Twenty-two ganders of the Nebraska Blue Goose met with Most Loyal Grand Gander J. Charles Harris in Omaha last week. The ganders were particularly interested in the message Mr. Harris had to give them on the creation of a relief fund. Four ganders of the pond have already pledged \$25 each to start such a fund for the pond and a campaign will get under way in a short time to increase the amount.

### Sioux City Board Committee

SIOUX CITY, IA., Sept. 26.—New committee chairmen for the Sioux City Fire & Casualty Underwriters have been named for the ensuing year as follows: Membership, Paul S. Barber; program, R. P. Brown; publicity, Fred W. Colvin; grievance, H. P. Pratt.

The local board has already come into conformity with the recent change in the constitution of the Iowa Association of Insurance Agents, by making membership in the local board a prerequisite to membership in the state and National associations.

### Iowa Firemen's Meeting

Delegates from more than 25 towns were in attendance at the annual convention of the Iowa Firemen's Association held in Independence, Ia., last week. The meeting had for its keynote fire prevention and best methods of extinction.

Harry J. Cochran of the Iowa Insurance Service Bureau addressed the meeting and states that small towns often fail to make pressure tests, have too few hydrants and have water mains of small capacity.

L. R. Morris of Ames was elected president for the coming year. The convention will be held at Red Oak next year.

### Lay Off Omaha Firemen

OMAHA, NEB., Sept. 26.—All members of the city fire department have been suspended by order of the council for a period of four days each month for the remainder of the year. This was done in spite of the representations of the insurance interests and over the protests of Chief Coyle, who said that this would mean 25 men short every day during the period named, and that he disliked to assume responsibility for what may happen.

Mayor Dahlman said the city had been forced to take this course because the citizens will not provide enough money to keep the necessary men at work in several departments of the city government, and that this was the only alternative left after rejecting the plan of discharging 71 men, which would have allowed the department to stay within the appropriations. The men had refused a plan formerly proposed, by which all were to stay at work, but all were to sign waivers of four days' pay a month. Councilman Koutsky charged that the firemen were doing work in spreading tarpaulins and mopping up

## NORTHWESTERN

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after fires that insurance companies should pay for.

### Missouri Notes

The National Insurance Agency, 224 Pierce building, St. Louis, operated by James E. Powers, Jr., has been appointed a Class 1 agent for the Commerce.

The L. J. Sherwin Insurance Agency, 2317 Tennessee avenue, St. Louis, will represent the American Alliance and Home Fire & Marine as Class 2 agent, clearing through the Laclede Insurance Agency.

Harry Thomure, who formerly was a solicitor for the Laclede Insurance Agency, has become a partner in the Walter W. Mestemacher Insurance Agency, 2320 North Union Boulevard, St. Louis.

### Iowa Notes

Charles E. Phelps, associated with his father in the Phelps Insurance Agency at Burlington, Ia., was married last week to Miss Florence James of that city.

J. E. Marietta, dean of Benton county insurance men, senior member of the firm of Marietta & Bickel, Vinton, Ia., celebrated his golden wedding anniversary last week.

Mrs. J. C. Bauch, prominent Des Moines club woman and wife of one of the pioneer field men of the state, died at her home there last week following a stroke of paralysis.

The Jewell Produce Company's plant at Jewell, Ia., the largest industry in the town, burned to the ground entailing a loss of \$69,000, with insurance of but \$21,000. Nothing was saved from the building.

Otto Rasmussen, with Ellis & Holland, Des Moines, general agents, and one time in the field for the Dubuque Fire & Marine, is at University Hospital, Iowa City, receiving treatment for inflammatory rheumatism.

### Kansas Notes

There were fire prevention inspections at Ellis and Hayes, Kan., on Sept. 19-20.

Mrs. S. A. Hill, wife of S. A. Hill, agent at Cawker City, Kan., died recently. Mrs. Hill was prominent in church work.

Corning, Perry county, O., will vote in November on a \$72,000 bond issue for the construction of a new waterworks system.

resource extinguished the flames before the oil was burned out. Another serious oil fire at Baton Rouge Sunday resulted from an explosion of a still and killed two persons and hurt two others in addition to the property loss.

### Decrease in Oklahoma Losses

OKLAHOMA CITY, Sept. 26.—Fire loss in Oklahoma for the first nine months of 1928, as compared with the same period of 1927, shows a decrease of at least 20 percent, C. R. O'Neal, state fire marshal, reports. January and May showed heavy fire loss and at the end of the first six months the records revealed an increase of \$250,000 over the figures for 1927. July and August, however, registered little loss.

### Confer on Arkansas Companies

OKLAHOMA CITY, Sept. 26.—Commissioner Jesse G. Read left last week for Little Rock to attend a meeting of the insurance commissioners from Texas, Arkansas and Alabama to discuss a report on three Arkansas companies. After that meeting Mr. Read went on to Rapid City, S. D., to attend the meeting of the National Convention of Insurance Commissioners.

### Takes Office Oct. 1

AUSTIN, TEX., Sept. 26.—J. W. Dewese of Paris, Tex., appointed by Governor Moody as state fire insurance commissioner to fill the vacancy caused by the death of the late T. M. Campbell, Jr., will assume the duties of his office Oct. 1. Mr. Dewese, former mayor of Paris, has been engaged in the insurance business 18 years.

### Arkansas Notes

The American Fire & Marine of Galveston has been licensed in Arkansas. The company is represented in that state by E. B. and F. R. Bloom of Pine Bluff, general agents.

The McDonald-Denslow Company, Stuttgart, Ark., has taken over the agency of Paul W. Daniels & Co. The business was founded by Mr. Denslow,

who operated it successfully for many years. Last February he sold a half interest to Mr. McDonald, who is at present active manager.

### Oklahoma Notes

F. Wiley Ball, Oklahoma City, local agent, has recovered from an injured hand, which he received in trying to rescue a neighbor from the attack of a dog.

Al Heiman & Co. of Oklahoma City have taken the general agency of the marine department of the Alliance, to write coverage on jewelry, furs, radium, and the personal effect floaters.

Acting upon instructions from the city council, the fire chief of Tahlequah, Okla., and a crew of firemen raised 11 buildings recently. The council acted on recommendation of the state fire marshal's office, which had condemned the buildings as unsafe and a fire hazard.

Fire last week destroyed the ore mill at the Patty C. zinc and lead mine near Miami, Okla., with loss estimated at \$100,000. The fire originated from a hot box in the engine room and passed beyond control before fire apparatus could arrive. The mill belongs to the Pearl Mining Company.

Because the next meeting date set for the Insurance Woman's Clubs of Oklahoma City, has been declared a holiday to give busy people an opportunity to attend the state fair, officers of the club have announced an evening picnic at Spring Lake instead of the regular business meeting.

### Texas Notes

W. H. Jouett, for the past few years engaged in the insurance business at Farmersville, Tex., and one of the well known insurance men in north Texas, has been named cashier of the Farmersville National Bank.

Brownsville, Tex., on the alert to maintain its good fire record, has begun the installation of a fire alarm system which will cost no less than \$30,000 before its completion, but will double the efficiency of the city's fire fighting facilities.

Two fires at colleges, one at Littlefield, Tex., and one at Big Sandy, Tex., have caused disruption to the opening terms of school and occasioned property loss of \$50,000 or more, in addition to property of students which is not usually covered by insurance.

## STATES OF THE SOUTHWEST

### TEXAS COTTON LOSSES HEAVY

Opening of Ginning Season Marked by Unusual Number of Fires in That State

DALLAS, TEX., Sept. 26.—As is usual at this season of the year in the cotton-producing states, bales of cotton carelessly handled the first 24 hours after ginning have caused enormous losses to the insurance companies. Within about ten days, fire at Alba, Tex., destroyed 85 bales as well as box-cars containing part of it and loading platforms; at Mound, Tex., 38 bales and the car in which it was loaded burned; at Lewisville, Tex., 36 bales were lost, and at Lone Oak, Tex., eight bales burned.

### Heaviest Loss at Rosebud

The most serious fire of the new season was that at Rosebud, Tex., which destroyed 1,700 bales of cotton in the warehouse and spread to a railroad siding where three cars loaded with cotton were a total loss. That loss will probably run higher than \$200,000.

The fire at Rosebud may leave the farmers uninsured, since the bank cashier whose duty it was to pay the insurance premiums is missing.

Since cotton averages better than \$100 a bale, the aggregate losses from cotton alone can be seen to run into hundreds of thousands of dollars in the first few weeks of the ginning season. Since in almost every instance other property is destroyed with the cotton, actual losses are much higher than the cotton figures.

### Bertrand with National Standard

The National Standard Fire of Houston, Tex., announces the appointment of Shannon M. Bertrand as special agent in charge of northwest Texas with headquarters at Dallas. He was formerly connected with the Texas Rating Bureau, the Phoenix of Hartford and the Trans-Continental in Texas. He has had valuable engineering training.

### Gives Full Time to Fire Prevention

DALLAS, Sept. 26.—The city of Dallas, acting upon the suggestion of the fire and police commissioner, has assigned Capt. F. C. Hedgepeth, for years with the Dallas fire department, to special work of fire prevention. Captain Hedgepeth has offices in the chamber of commerce building and is working in connection with the Dallas Fire Prevention Council. Dallas is the first city in Texas to assign a full time, fully paid fire fighting official to the work of fire prevention and elimination of fire hazards. Captain Hedgepeth, with the council, is planning an educational campaign designed to cut fire losses and fire insurance premiums in Dallas.

### TAKE UP IMPORTANT ISSUES

Many Matters Scheduled for Hearing Before Insurance Commission at Austin Oct. 8

A docket of 21 important fire insurance questions will be taken up by the Board of Insurance Commissioners at a hearing in Austin Oct. 8.

Foremost in the hearing will be the request of Dallas city officials for the removal of the key rate penalty of 5 cents for use of other than cast iron mains in city waterworks systems. The controversy arose when the late fire insurance commissioner, T. M. Campbell Jr., announced that if steel water mains were used by Dallas in extending the system, the penalty would be imposed, whereupon Dallas protested.

Other matters to be up for hearing before the commission are: To provide an occupancy table charge for cotton seed for planting; to define a method for making short rate cancellation when there has been a rate adjustment during the policy terms to define a method of applying exposure charges between dwellings and industrial plants; revise the Texas standard policy form; approval of a standard policy form for farm and country property, revision in rates applicable to concrete building tile; revision in method provided for making short rate cancellation of policies on cotton gins; revision in area charge on closed cotton compresses, revision in standard for fire doors in seed houses at cotton seed oil mills; approval of a deductible clause for fire insurance policies; revise vacancy and unoccupancy permits; revise charges for awnings and roof structures; revise method of rating brick buildings with frame or ironclad warehouses or additions; approval of a flue inspection warranty; provide a higher rate for pipe organs in churches; revise general basis schedules and approved form No. 51 to eliminate co-insurance clause as being applicable to cotton seed oil mill buildings and machinery; allowing superior construction credit for dwellings; allowing credit for sprinklers in moving picture booths; provide for outside standpipes on fire proof buildings; provide methods for rating auxiliary buildings at special hazard risks.

### Big Oil Loss at Lubbock

A man striking a match to determine the amount of oil in a storage tank at Lubbock, Tex., caused an explosion which destroyed 30,000 gallons of fuel oil and threatened for a time the entire destruction of the Texas Utilities \$750,000 power plant. The Santa Fe railroad assisted in controlling the fire by throwing five steam into the blaze and Foamite was also used in large quantities but neither

## IN THE SOUTHERN STATES

### TENNESSEE INSURANCE DAY

Oct. 7 Is Officially So Designated by Proclamation Issued by the Governor

NASHVILLE, TENN., Sept. 26.—The governor of Tennessee has set aside Sunday, Oct. 7, as Insurance Day. The proclamation follows:

"It has become an established custom to designate the first Sunday in October of each year as Insurance Day, and pursuant thereto, I do hereby set apart Sunday, Oct. 7, for such observance.

### Of Indispensable Value

"Insurance of all kinds has an indispensable purpose and value. Our people should recognize its importance and protect their lives and property. This practice has not originated for any selfish end. Society is vitally interested in its problem of human dependency. It is morally wrong to leave widows and children to public care. Those charged with the support of dependents are guilty of such wrong, when they leave them to the pitiless ravages of want and destitution. Insurance is the best preventive. All religious organizations are deeply concerned that unfortunates and dependents are not left for their support. This whole question of insurance touches human life at so many points and the protection which it affords is so helpful to the human family in the heavy hours of misfortune and affliction that it is wise and well that the subject should be brought to the widest attention and treated in its humane and social aspects. Therefore, I am constrained to proclaim this 'Insurance Day,' with the suggestion that our ministers discuss this subject in appropriate manner and that the press of the state properly emphasize it and that our people devote due attention

to all insurance, believing that substantial good will result."

### GIRARD BRANCH OFFICE IN RICHMOND REPORTED

The Girard Fire & Marine is reported to be planning to open a branch office in Richmond, Va. Oct. 1. Howard Saunders of Hampton has been general agent for the company in Virginia. He is giving up this connection on that date. W. G. Fuller, Jr. will succeed him with the title of state agent. Mr. Fuller has been supervising Virginia for some years for the Firemen's. Having no connection with the Girard at present, he says that he is not in a position to either affirm or deny the reports about the branch office. The Girard, one of the Firemen's group, was formerly in the office of Willis, Johnson & Co., at Richmond. This firm resigned the company a year or two ago for alleged violation of the bank agency rule.

According to the reports, William Henry, formerly associated with the H. V. Godbold Company agency at Richmond, is slated to be manager of the projected branch office.

### S. Clyde Roper Transferred

S. Clyde Roper, special agent of the Hawks & Schenck, general agents at Greensboro, N. C., has been transferred from the agency's office to Greenville, S. C. Mr. Roper's office will be in the Woodside building.

### Bad Week in Louisville

LOUISVILLE, Sept. 26.—The week ending Sept. 21 was a bad one for fire losses in Louisville, with a total of \$201,964, including the fire in the plant of the Norman Lumber Company and Norman Kiln Drying Company, and a loss of about \$35,000 when the plant of the



Kentucky Bedding Company was gutted. Out in the state there were a few small and one large loss. The J. Stegar Tobacco Co. plant at Princeton, Ky., had two blazes, with loss of \$65,000, partly covered. The first fire burned the annex. A couple of days later the rest of the plant burned, apparently from sparks, although there was a 12-foot alleyway between the buildings.

#### Fewer Firebug Cases Reported

RICHMOND, VA., Sept. 26.—There has been a marked falling off in firebug cases in Virginia in recent months. Since July 1 the state fire marshal's office has had only 12 cases reported to it for investigation. For the preceding year the cases reported for investigation averaged about eight a month. Since July 1 there have been arrests in such cases but no convictions so far. Last year there were 36 arrests and 17 convictions.

#### Plan Lexington Inspection

LOUISVILLE, Sept. 26.—E. G. Stuart, secretary of the Kentucky State Fire Prevention Association, in a letter to members, calls their attention to the need of every member attending the two-day inspection at Lexington, Oct. 24-25, in view of the fact that Lexington is a city of approximately 50,000, which means a large number of men needed in handling the inspection in two days. Lexington clubs and the fire prevention committee of the Lexington Chamber of Commerce are taking an active interest in the meeting.

#### Disagree in Shanks Case

FRANKFORT, KY., Sept. 26.—William H. Shanks of Richmond, Ky., former state auditor of Kentucky and as such head of the insurance department, continues under indictment on the charge of converting more than \$12,000 of state money to his own use, as the jury trying in the Franklin Circuit Court was unable to agree, and was dismissed. The case was continued until the January term of court, but it is not unlikely that it will be tried at a special term of court between now and January. The jury stood nine for acquittal and three for conviction.

#### Somerset Gets Lower Rates

FRANKFORT, KY., Sept. 26.—Fire insurance rates at Somerset, Ky., are to be lowered. The city council will comply with the final recommendation of the Kentucky Actuarial Bureau in relocating the fire truck recently bought on the recommendation of the bureau. The city will be placed in the eighth class and the new rates will go into effect at an early date.

#### Kentucky Churches Burn

FRANKFORT, KY., Sept. 26.—Three churches were burned in Kentucky the past week. State fire marshals are investigating. The North Rolling Fork Union Church, ten miles from Danville, with the books of many of the children who have been attending school there. The church had been used temporarily for a schoolhouse. For the second time in two months the Browning Chapel in Adair county has been burned. The first fire occurred in July, when the building had just been completed. The Christian Church at Elsmere, Kenton county, was destroyed by fire, with the pastor's home. There have been more than a dozen churches destroyed by fire this year in this state.

#### Georgia Pond Meets

The Georgia Blue Goose will hold a business meeting tonight in Atlanta. New officers of the pond are to be installed and there will be an initiation of goslings.

#### Tennessee Marshal's Report

NASHVILLE, TENN., Sept. 26.—Tennessee's fire loss decreased \$1,460,649 in 1927, according to the annual report just issued by Ed M. Gillenwaters, commissioner of labor and state fire marshal.

"At the same time the whole insurance carried decreased \$17,315,141 under 1926; losses paid in 1927 decreased \$1,165,983, and sound value was \$18,870,038 less in 1927 as compared to 1926. There were 1,268 less claims in 1927 than in 1926," the report sets forth.

The Tennessee Association of Arson Squads, said to be the first organiza-

tion of the kind in the country, is described in the report. The association was organized in Nashville, January 31, 1928, the purpose being to provide in each community two or three voluntary workers to cooperate with the state department in detecting, reporting and punishing arson.

One of the new fire hazards described is that of "spray painting" and the public is warned against the advertising literature describing such painting in the home.

There were 252 cases investigated during the year by the department, with 19 convictions, 12 acquittals and 40 cases pending.

#### Explosion Coverage Not Necessary

NEW ORLEANS, LA., Sept. 26.—The City Homestead League of New Orleans after investigating the introduction of natural gas for the artificial product here has decided that explosion insurance will not be required. The danger is not sufficient and the cost sufficiently important that drastic action in making recommendations is not thought necessary. It is reported that the rates on explosion insurance will not be increased as the result of the greater use of natural gas. The volume of this busi-

ness has increased since the introduction of natural gas.

#### Kentucky Notes

William W. Gaunt of Gaunt & Harris, Louisville local agents, will sail Oct. 1, with Mrs. Gaunt for a few weeks in Europe.

Austin B. Kinnaird of Booker & Kinnaird, Louisville local agents, was drafted for service on the September grand jury.

The Continental Fire has transferred its farm as well as recording connections at Campbellsville, Ky., from J. F. Campbell to W. Finis Neal.

Mrs. Harry Jefferson of the Jefferson, Noyes & Embury agency, Louisville, is back in New York, after a trip to Europe, and will return to Louisville shortly.

Edward J. Miller of E. J. Miller & Co., Louisville local agents, has been named by the Louisville Board of Trade as a representative of Louisville at the Ohio Valley Improvement Association meeting at Pittsburgh, Oct. 3-4.

James M. Huber, of Mackin & Huber, insurance agents at Lebanon, Ky., has been suffering for two weeks from a rather serious eye injury. Mr. Huber was playing tennis, when an opponent's return struck a celluloid eyeshade, driving the edge of the shade across the ball of the eye, which was cut or split. An infection set in.

## ON THE PACIFIC COAST

### REOPENS EARTHQUAKE ROW

California Corporation Commissioner Says Department Will Not Demand Coverage for Bond Issues

SAN FRANCISCO, Sept. 26.—Fire insurance companies writing earthquake insurance in California are the subject of an attack made Saturday by J. M. Friedlander, state corporation commissioner, who in announcing a new policy for the department declares that should his department continue to demand large earthquake coverage in connection with bond issues it would be diverted from its original objective and lend itself very actively to a "pernicious process of aiding and abetting the insurance companies in making structural bond issues floated in California almost prohibitive."

The commissioner's announcement states that where land is owned in fee the department will not require earthquake insurance as a provision in a bond permit. The rule applies to bond applications on Class A buildings, the commissioner explaining that under such circumstances the fee would constitute ample security for the protection of bondholders in the event of any damage. He further states that prior to his taking office the department sometimes required as much as 90 per cent earthquake coverage and that, while he could find no data to support these requirements, he was keenly sensible of the results that might confront the state if such a policy were continued.

Mr. Friedlander stated that he has discussed the matter of possibility of earthquakes in California with Prof. Bailey Willis, following whose prediction the rates were raised. He quoted the professor as saying that Los Angeles and Santa Barbara are not in extreme danger of an anticipated shock. Mr. Friedlander further states that his own personal investigation has failed to disclose any alarming amount of anxiety among financiers, contractors, engineers and architects, who seemed to discount all predictions concerning disastrous earthquakes in California, adding that as regards class A construction those who speak with authority on the subject hold that such predictions as have been made are "unfounded exaggerations."

#### Washington Hearing Postponed

Due to a crowded calendar the case of the Continental vs. H. O. Fishback, insurance commissioner of Washington,

has been postponed, probably to Oct. 22.

The Continental seeks to prevent Fishback from cancelling its license in Washington, following lowering of fire insurance rates. The case is really a fight between board companies and independents. Mr. Fishback cancelled the Continental's license on the ground that it had not shown or produced proof of a loss ratio to warrant the reduction.

#### Form Securities Corporation

Interests controlling the Mountain States Life of Hollywood, Calif., and the Nevada Fire, have organized the Insurance Securities Corporation for the announced purpose of acquiring control of other insurance companies when "the opportunity presents itself." The first activity of the corporation, however, will be in behalf of these two companies and a program of expansion and development has been adopted.

Officers of the Insurance Securities Corporation are: President, R. N. Stevenson, vice-president of the Mountain States; L. R. Eby of the Nevada Fire and F. W. Beck, for a number of years agency manager for the life company. In addition to the officers named the directors of the new holding organization are W. C. Pitt, president of the Nevada Fire; W. L. Vernon, president of the Mountain States; J. N. Slingerland, secretary of the Nevada, and J. M. Miller, agency secretary of the Mountain States. J. B. Irsfeld, counsel for the Mountain States, is to act in the same capacity for the new firm.

#### Salem Exchange Elects

SALEM, ORE., Sept. 26.—The Insurance Exchange of Salem was organized recently. Officers elected include J. N. Rupert of Anderson & Rupert, president; William H. Burghardt, vice-president; C. E. Albin of Nicholson & Wiper, secretary-treasurer; Merrill D. Ohling of Smith Insurance Agency, and Karl Becke, Becke & Hendricks, trustees. Sixteen members are enrolled.

#### Discuss New Earthquake Basis

LOS ANGELES, Sept. 26.—In an address before a meeting of the Los Angeles Building Owners & Managers Association, Louis Hill, construction engineer, advocated that earthquake insurance rates be based on the individual stability of structure and method of construction, as a solution of the problem which has recently been the subject of a great deal of discussion in southern California. In his remarks Mr. Hill explained that the construction of some buildings enables them to stand more violent shocks than others and that the plan suggested would be more equitable as a basis for rates. Earthquake expectancy in this

territory was also discussed at the meeting, the speaker being Ralph Arnold, local geologist, who said, "There is nothing to indicate that Los Angeles will ever be the center of a temblor and while violent shakes originating 40 to 60 miles distant might be felt here, they would cause no damage." Shirley Ward, chairman of the insurance committee of the association, presided at the meeting.

#### Harris at Los Angeles

LOS ANGELES, Sept. 26.—J. Charles Harris, most loyal grand gander of the Blue Goose, was the guest of honor at a luncheon meeting of the California pond. A large attendance marked the occasion, reflecting the popularity of Mr. Harris, who for years has been prominent in the work of the order on the Pacific Coast and was elected to the highest office in the organization at the annual meeting at Montreal.

#### Home of Hawaii New Office

The Home of Hawaii has opened an office in Portland, Ore., on the fourth floor of the Oregon building. Roy H. Keagy has been appointed general agent.

#### Los Angeles Agency Changes

LOS ANGELES, Sept. 26.—At a meeting of the governing committee of the Los Angeles Fire Insurance Exchange the transfer of membership of James K. Fawcett to Stebbins & Co. was approved. It is understood that the Stebbins office, of which W. L. Stebbins is president and James K. Fawcett, vice-president, succeeds the Fawcett agency, and will represent the United Firemen's and the London Guarantee & Accident.

The Green-Campbell Agency has resigned five nonboard companies and joined the exchange as an agent-member, being named to represent the New Brunswick and New Jersey.

#### May Drop Los Angeles Improvements

LOS ANGELES, Sept. 26.—At a meeting of the legislative committee of the city council of Los Angeles, abandonment of the proposed charter amendment to allocate 5 cents of the present tax rate to the fire department for urgent, immediate needs for additional fire houses and equipment was forecast as a result of strong opposition to the plan on the part of library, park and playground departments. The need of additional fire protection was strongly stressed by Fire Commissioners Werdin and Laws and Fire Chief Scott, who stated that 20 new fire houses are needed at once and that there is a strong probability that if the city fire protection service is not bettered fire insurance rates in Los Angeles will be increased, especially in those districts where there are no fire houses.

Paul V. Barnett, Portland automobile adjuster, will hereafter operate under the name of Barnett-Roberts, Inc. New offices have been opened at 905 American Bank building.

## NEWS FROM THE EAST

### THREE-AGENCY PLAN TO STAY

It Is Confidently Reported That Agents' Request for Two-Agency System Will Be Refused

PHILADELPHIA, Sept. 26.—The three-agency plan is in Philadelphia to stay and the request of the Philadelphia agents that the companies go back to the two-agency plan will be turned down.

The companies, after thorough investigation of the subject, have come to the conclusion that their agreeing to the two-agency plan would only mean redistribution of business in the Philadelphia territory and would not eliminate competition, as the agencies they would be forced to drop, were the plan adopted, would immediately take on other companies.

The companies also feel that it is not fair to ask them to relinquish connections that they have been years in forming in order that new companies, seek-

ing to gain a foothold in Philadelphia, may obtain good agencies.

#### Agency Plan in Controversy

The two-agency plan was the main point on which Philadelphia agencies waged their fight against signing the new agency agreement some months ago, and it is not known what effect the stand of the companies will have on the decision of the agents when their signatures are requested Jan. 1. However, it is known that many of the agents are satisfied with the new commission scale and the companies are hoping that all agents can be made to see the two-agency plan in their light.

As for the agents' demand that the companies place their branch offices on the same basis as the agencies, the companies take the stand that they intend to run their branch offices as economically as possible and that it is not right for anyone to tell them what to pay their branch managers. The companies declare, however, that they will pay the same brokerage—and are paying it—as the agents.

#### Confer on Buffalo Fire Boats

BUFFALO, N. Y., Sept. 26.—Mayor Schwab has designated Joseph M. Gleason, director of the municipal budget, to confer with insurance men here to determine how many and what type of fire boats are needed for proper protection of the Buffalo waterfront. The mayor contends a single high powered, oil burning boat can serve as a com-

bined fire and police boat and ice breaker, but has indicated that if additional protection is actually needed he will not oppose it. The budget director will make his report to the mayor, who is head of the safety department under the Buffalo city charter.

#### Falls Insurance Society Speaker

Laurence E. Falls, vice-president of the American of Newark, will address the New York Society of Insurance in the National Board rooms Oct. 15 on "The History of Fire Insurance." Mr. Falls will deliver a second address to the society Oct. 22 on "The Principles of Fire Insurance."

#### Eastern Notes

Ralph W. Lee & Co., insurance agents in Washington, D. C., have moved into their own building at 1508 L street, N. W.

G. T. Ballard of Utica has been elected secretary and H. W. Smith of Vernon, manager of the Merchants' Cooperative Fire of Central New York. H. A. House of Ilion, resigned, formerly held both offices.

The John Paulding Meade Company of Boston will on Oct. 1 move into new and commodious quarters on the ground floor at 45-51 Kilby street, diagonally across from the old quarters at 50 Kilby street.

John P. Samson and P. C. Decker of LeRoy, N. Y., have purchased the controlling interest in the Gillett Insurance Agency there from Margaret B. Gillett, who has conducted it since the death of James B. Gillett, who conducted it for more than 25 years. The firm will be reorganized under the name of Samson, Decker & Co.

Sept. 12 as \$229,200, as compared with \$739,700 for the previous week and with \$292,650 for the corresponding week of last year. From Jan. 1 to Sept. 14, 1927, the losses were \$12,366,050, and from Jan. 1 to Sept. 12, 1928, they were \$14,398,800.

#### Appointed Claims Manager

TORONTO, CAN., Sept. 26.—R. G. Mann has been appointed claims manager for the American Automobile, with headquarters in the offices of Shaw & Begg, Toronto, who are Canadian managers for the company. Mr. Mann is experienced in this branch, having been with the Northern in Montreal and Toronto for some years.

#### Open British Columbia Branch

Marsh & McLennan will open a British Columbia branch office in charge of J. G. Cochrane, formerly in charge of their marine department in Seattle.

#### New Companies Licensed

Dominion licenses have been issued to the Prudential Assurance, Century and

Lumbermen's Mutual Casualty. The Halifax Fire and the Bankers & Traders have been licensed in Alberta for fire and allied lines and the Occidental Life of California for life, sickness and accident. The Halifax has also been licensed in Manitoba and the Preferred Accident in Saskatchewan.

#### Canadian Notes

The Manor Richelleu, summer hotel at Murray Bay, Que., was gutted by fire with an estimated loss of \$500,000, covered by insurance.

W. A. Dickson, formerly an agent in Winnipeg for the British America, has joined the firm of A. R. McNicholl, and will be in charge of the insurance department.

A fire in the Red Lake district burned a large forest area, also the bunk houses, mess houses, offices and commissariat buildings at Clearwater, property of the Consolidated Mining & Smelting Co.

H. W. Macdonnell, secretary of the Industrial Relations department of the Canadian Manufacturers Association, and C. D. Adams of the T. Eaton Co., Toronto, addressed the Canadian Manufacturers Association at a luncheon at Winnipeg on matters pertaining to fire insurance.

## MOTOR INSURANCE NEWS

### AUTOMOBILE THEFT DECISION

Arkansas Supreme Court Decided Case When Company Declared No Damage Had Been Caused

Appellees sued appellant upon a policy insuring an automobile against loss or damages by reason of theft. The suit was defended on the ground that the automobile had not sustained any damage by reason of theft. Royster stored his automobile with the Smith Auto Livery Company. When he went to get his car, it was not in the garage. It was found in the city of Little Rock, badly damaged and almost worthless from collision with some object. A charge was preferred against a negro on account of driving the car in question when it smashed against an iron pole. The negro at the time was employed at the garage of the Smith Auto Livery Company. Liability is claimed for loss suffered by reason of the automobile being stolen by one of the servants of the Smith Auto Livery Company while it was stored in the garage of that company. Held that there is nothing in the policy that indicates that the word "theft" was used in other than its legal signification. The court adheres to the doctrine announced in *Dove vs. State*, 37 Ark. 261, to the effect that, to constitute larceny, there must be a felonious intent to convert the property to the taker's own use; and that to take property without intention to convert same to the use of the taker and permanently to deprive the owner thereof, is not larceny, though it may constitute trespass. Since, to constitute larceny, the taking must have been with intent to appropriate the property taken to the taker's own use and benefit, an instruction which defines the crime merely as a taking with an intent to deprive the owner thereof, is erroneous. *Export Insurance Co. vs. Royster*, Sup. Ct. Ark.

### Kilburg With the Public

The Public Fire of Newark, N. J., announces the appointment of A. B. Kilburg as general agent in charge of automobile business for mid-western territory. Mr. Kilburg has, for a number of years, held a similar position with the Commercial Union fleet. He has a wide acquaintance among the agents in the western field that will aid in developing a substantial automobile business.

Headquarters of the automobile department will be in the company's Chicago office in the Insurance Exchange.

### MUCH INTEREST IN REPORT

Rumor Has It That Big Automobile Concern May Organize Its Own Insurance Company

Head office underwriters, together with local agents throughout the country, will be interested in the reported purpose of one of the great automobile manufacturing concerns of the central west to organize as subsidiary enterprises both a finance corporation and a fire insurance company, which, it figures, would facilitate the sale of its cars. The scheme proposed, according to quietly current rumor, would parallel that in vogue by the General Motors Corporation for several years past, and which is said to have proved highly satisfactory to that institution. The corporation now credited with considering the departure has abundant financial resources; a country-wide selling organization, and at the present time is turning out cars at the rate of close to 500,000 a year, with every prospect of increasing the number once additions to its several plants now underway be completed.

### WAR ON DUBIOUS "CLUBS"

Automobile Organizations from Ten States Hold Conference in San Francisco

SAN FRANCISCO, Sept. 26.—Representatives of automobile clubs from ten states and territories met in San Francisco last week and considered plans to halt the activities of loosely organized clubs which, it is claimed, have victimized thousands of people by selling memberships when the so-called "clubs" or "association" was not in a position to render such services. California in the past two years has probably been the largest sufferer from these concerns and the local agents of the state have been effective in numerous instances in curbing their activities. The principal clubs in attendance at the meet were those conducting reciprocal insurance exchanges in connection, such as the Automobile Club of Southern California and the California State Automobile Association of San Francisco. These two clubs do a large automobile insurance business and are the principal competitors of the stock companies. Several times, however, they have cooperated in the efforts of the local agents and the National Automobile Club, formed by the Pacific Coast Automobile Underwriters Conference, to

## IN THE CANADIAN FIELD

### MEETING IS WELL ATTENDED

Executives of Company Organizations on Hand for Sessions of Superintendents at Regina

REGINA, SASK., Sept. 26.—The annual meeting of provincial superintendents of insurance here was well attended. John A. Robertson, chairman of the Canadian Fire Underwriters Association, Toronto; W. E. Baldwin, manager of the Continental, Montreal; J. W. Binnie, president of the Canadian Fire Underwriters Association and manager of the Globe & Rutgers, Montreal; A. H. S. Stead, secretary of the Western Canada Fire Underwriters Association, Winnipeg, and Douglas Cowrie, president of the Western Canada Fire Underwriters Association and manager of the Caledonian, were among those who attended.

O. E. Sharpe, who was president of the association, could not attend the conference, so sent his address to be read, in which he censured the Dominion department for its refusal to recognize court decisions regarding jurisdiction or to appeal such decisions, pointing out that such an attitude stood in the way for close cooperation between the provincial and Dominion departments. W. R. Baker, who is commissioner of insurance for the state of Kansas, addressed the meeting on "Regulation of Fire Rates of Insurance by Government Authorities," and advocated state regulation but that regulation be sensible and reasonable, so as not to interfere with the rights of the carriers.

Charles Heath, Manitoba superintendent, gave a paper on aviation insurance, in which he stated that the time is ripe for simple provisions to be worked out for this class of risk, which could be added to from time to time as needs arise. Mr. Heath said that accident and life companies had been forced to study the question of aircraft insurance from their own viewpoints.

### Winnipeg Institute Plans

WINNIPEG, Sept. 26.—The Insurance Institute of Winnipeg will commence its second season of courses of the Insurance Institute of America at the end of October and this year will conduct a junior fire, an intermediate fire and a

junior casualty course. Great interest is being displayed in the additional courses and no difficulty of securing members is anticipated. The list of lecturers is not quite completed but those who have been selected are all very prominent in the particular subjects which they have taken. The library is to be enlarged, to assist the students and to avoid as far as possible the necessity of waiting for books.

### Prudential's New Canadian Manager

MONTREAL, Sept. 26.—Bernard Humphrey has been appointed manager for Canada by the Prudential Assurance of London, succeeding A. K. Thom. Mr. Humphrey joined the Prudential in 1895, and was at head office until 1922, when he opened a fire and accident office for it at Leeds, Eng. He was president of the Insurance Institute of Yorkshire in 1926.

### General Accident Appointment

TORONTO, Sept. 26.—The General Accident of Canada has appointed F. C. Broadfoot as manager of its British Columbia branch. Mr. Broadfoot was formerly inspector at the agency, and has been acting manager since the death of W. S. Sangster. F. H. Minchin, formerly of the insurance staff of Waghorn, Gwynn & Co., takes his place as inspector.

### Vancouver Firm to Erect Building

VANCOUVER, B. C., Sept. 26.—The insurance firm of R. S. Day & Son has purchased a site for the erection of a two-story office building in this city, the ground floor of which it will occupy. The firm has a branch in Victoria also. It represents the Hartford Fire, North America, Guardian of England and several other companies.

### Winnipeg Equipment in Bad Shape

WINNIPEG, Sept. 26.—The sub-committee in charge of the reorganization of the fire department in Winnipeg made an inspection of the fire halls and found the equipment at the various halls was in a dilapidated condition and floors, foundations, furniture and linoleum gave evidence of long and heavy wear. It is expected that the chief will prepare a recommendatory report for the consideration of the sub-committee for replacement and work to be done.

### Canadian Losses Compared

The "Monetary Times" estimates the fire loss in Canada for the week ending



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rid the field of the dubious organiza-  
tions.

It was announced at the meeting that  
legislation, similar to that already in ef-  
fect in Oregon, may be sought as a  
remedy.

**Universal Enters Idaho**

Edward T. Harrison, president of the  
Universal Automobile of Dallas, Tex.,  
announces that the Universal Automobile  
has been licensed in Idaho. That  
state will be supervised by C. B. DeMille,  
general agent for the Universal Automobile  
in Washington and Oregon. The  
Universal Automobile is an exclusive  
automobile insurance writing company  
and reports splendid progress for 1928.  
The company is now licensed in Ohio,  
Indiana, California, Oregon, Washington,

Colorado, Kansas, Oklahoma, Texas, Ar-  
kansas, Louisiana, Missouri, Tennessee,  
Arizona and Idaho.

**Triangle Enters Illinois**

The Triangle Automobile of Pittsburgh  
has been licensed in Illinois to write all  
forms of automobile insurance, including  
fire, transportation, theft, property dam-  
age, collision, wrongful conversion, tor-  
nado, windstorm and hail.

**Move Automobile Department**

The United States Fidelity & Guaranty  
and the Maryland have removed their  
automobile department of their San  
Francisco branch office to 340 Pine  
street. Edwin C. Porter is manager of  
the office.

## MARINE INSURANCE NEWS

**SUES FOR LOST MANUSCRIPT**

Action Against Sun to Collect on  
Policy Insuring "Seven  
Books of Moses"

BALTIMORE, Sept. 26.—The loss  
of "an original manuscript" of the  
"Seven Books of Moses" is alleged in  
a suit asking \$100,000 damages filed in  
the Superior Court against the Sun,  
which had issued a policy on the parch-  
ment documents.

The suit was brought by Abram J.  
Mallick who alleges that a \$75,000 policy  
was written about a year ago on an  
"original manuscript on sheepskin  
known as the Seven Books of Moses,"  
which consisted of 11 rolls of parchment.

According to the suit, the manu-  
scripts were stolen Feb. 10 last from  
Mr. Mallick's home. The declaration  
stated that the loss was "by theft, grow-  
ing out of a burglarious or felonious  
entry."

**Course Begins Oct. 18**

The Insurance Society of New York  
will give the senior course in marine  
insurance prescribed by the Insurance  
Institute of America this year. It is not

necessary that those desirous of taking  
the course should have taken the junior  
and intermediate courses first. The sen-  
ior course deals principally with total  
loss, particular average, general average  
and surveying. The class will be from  
1 to 1:45 each Thursday, beginning Oct.  
18, at the New York Board room.

**Lake Season Opening Discussed**

At a conference of representatives of  
various United States government de-  
partments and the United States Cham-  
ber of Commerce held last week the  
question of the feasibility of establish-  
ing a government agency to determine  
the date of opening of navigation on the  
Great Lakes each spring was discussed.  
The matter is important to insurance  
companies, shippers and ship operators.  
It is expected that before final action is  
taken a conference at which each of these  
three trade groups will be heard must  
be held.

**Report Norwegian Rate Increase**

MONTREAL, Sept. 26.—Reports are  
current in Montreal marine insurance  
circles that an increase of 3 percent in  
the insurance premiums on Norwegian  
vessels sailing up to the Great Lakes  
through the St. Lawrence canal is being  
considered for next year by Norwegian  
underwriters. The present premiums are  
around 4 percent.

**MUTUALS PLAN GATHERING  
AT MILWAUKEE NEXT WEEK**

MILWAUKEE, Sept. 26.—Group  
meetings and joint sessions are on the  
program when the National Association  
of Mutual Insurance Companies and the  
Federation of Mutual Fire Insurance  
companies hold their annual conventions  
in Milwaukee, Oct. 1-4.

The Federation program calls for  
various committee reports and for meet-  
ings by the windstorm, farm fire, town,  
hail and city groups. The joint meet-  
ings of the two organizations will be held  
Monday and Tuesday evenings and  
Thursday morning. There will be the  
annual banquet Wednesday night. Tues-  
day night speakers will include: Paul  
Clay, chief economist for the Moody's  
Investors' Service, New York city, on  
"Sound Investment Policy"; Henry L.  
Glidden, "Fire Insurance Adjusting  
Problems and Developments," and Eu-  
gene Arms, manager of the Mutual Fire  
Prevention Bureau, Chicago, "Fire Pre-  
vention Activities and the National Fire  
Prevention Association."

Joseph Kennedy, deputy insurance  
commissioner for Wisconsin, and Glenn  
Frank, president of the University of  
Wisconsin, are among the speakers on  
the program for the national association  
meetings.

**Maynard on Trip Abroad**

Ed Maynard of Maynard & McMil-  
lan, local agents of Knoxville, Tenn., is  
in Europe on a three months' vacation.

Ray L. Maxwell, Oklahoma state agent  
for the Norwich Union, is visiting the  
New York office of his company.

**EXCELSIOR'S AGENTS CAN  
DRAW DRAFTS FOR LOSSES**

The quarterly meeting of the direc-  
tors of the Excelsior of New York was  
largely attended by local agents, who  
had been invited in accordance with the  
custom of the company.

On recommendation of Vice-president  
Hosmer, the directors made the neces-  
sary change in the by-laws enabling the  
company to extend to its agent-owners  
the privilege of drawing drafts in pay-  
ment of losses. The amount for which  
loss drafts may be drawn on the com-  
pany is left to the discretion of the ex-  
ecutive committee.

A change in the by-laws was necessary  
because under the former requirements  
the signature of two active officers of  
the company was necessary on all drafts  
drawn in payment of losses. Not only  
will this privilege be extended to agents  
as a service, but also as an evidence of  
the implicit confidence the company has  
in its representatives who are also its  
stockholders and financially interested  
in the company.

**Report Georgia Home Bought**

The Georgia Home is reported to  
have been bought by certain New York  
capitalists who plan to have it run under  
the same name. The price paid is said  
to have been more than double the book  
value of the stock. The home office  
is located at Columbus, Ga.

The volunteer fire company of Lang-  
don, N. D., has resigned because the city  
council refused to motorize the fire fight-  
ing equipment.



# EMPLOYERS INDEMNITY CORPORATION

Announces that its corporate name has been changed to EMPLOYERS REINSURANCE CORPORATION; and its capital increased from \$700,000 to \$1,500,000, and surplus increased from \$620,126 (as of June 30, 1928) to \$2,247,836. The Corporation presents the following:

## CONDENSED STATEMENT

as of June 30, 1928, augmented by the added capital and surplus paid in as of September 20, 1928

### ASSETS

|  |                |
|--|----------------|
| REAL ESTATE, Home Office Building.....                         | \$325,000.00   |
| All Other .....  | 156,626.51     |
| Total, Market Value.....                                       | \$ 481,626.51  |
| MORTGAGE, LOANS .....  | 896,273.50     |
| COLLATERAL LOANS .....   | 5,000.00       |
| BONDS, U. S. Government.....                                   | \$112,179.50   |
| State, County, Municipal.....                                  | 677,597.92     |
| Industrial .....   | 422,000.00     |
| Railroad .....   | 20,760.00      |
| Total Market Value.....  | \$1,232,537.42 |
| STOCKS .....   | 119,440.00     |
| TOTAL BONDS AND STOCKS, Market Value.....                      | 1,351,977.42   |
| CASH IN BANKS AND ON HAND.....                                 | 473,141.61     |
| CASH IN BANKS REPRESENTING ADDITIONAL CAPITAL AND SURPLUS..... | 2,427,710.83   |
| PREMIUMS IN COURSE OF COLLECTION (under 90 days) .....         | 627,724.08     |
| INTEREST ACCRUED .....   | 40,289.42      |
| REINSURANCE RECOVERABLE .....                                  | 120,000.00     |
| TOTAL ADMITTED ASSETS.....                                     | \$6,423,743.37 |

### LIABILITIES

|   |                           |
|---|---------------------------|
| LOSS RESERVE:   |                           |
| Liability and Compensation,<br>(Schedule P Basis).....            | \$1,320,563.99            |
| LOSS RESERVE, Other Classes, Including Investigation Expense .... | 133,346.18                |
| TOTAL .....   | \$1,453,910.17            |
| RESERVE FOR UNEARNED PREMIUMS.....                                | 1,061,278.66              |
| COMMISSIONS ACCRUED ON PREMIUMS IN COURSE OF COLLECTION.....      | 110,717.56                |
| RESERVE FOR MISCELLANEOUS BILLS.....                              | 5,000.00                  |
| RESERVE FOR PREMIUM AND INCOME TAXES.....                         | 45,000.00                 |
| TOTAL LIABILITIES .....   | \$2,675,906.39            |
| CAPITAL .....   | \$1,500,000.00            |
| SURPLUS .....   | 2,247,836.98 3,747,836.98 |
| TOTAL .....   | \$6,423,743.37            |

# EMPLOYERS REINSURANCE CORPORATION

E. G. TRIMBLE, President

KANSAS CITY

# The National Underwriter

September 27, 1928

CASUALTY AND SURETY SECTION

Page Forty-one

## CANADIAN DEPARTMENT 'NON-CAN' REPORT OUT

Attitude and Practices of Companies Writing Line Make Interesting Document

## FEW ARE LEFT IN FIELD

Two Carriers That Once Issued Most Policies Have Now Discontinued Issuing Them

OTTAWA, ONT., Sept. 26.—Replies to the Dominion of Canada insurance department's circular of June 1 on non-cancellable accident and health business have now, with a few exceptions, been received from the companies. The views of the companies on the various questions submitted may be summarized as follows:

Of the 57 ordinary companies carrying on accident and sickness insurance in Canada, either separately or combined, nine companies have at some time or other issued non-cancellable policies, and of 13 fraternal societies, four have issued this class of policy. The two companies issuing such policies to the greatest extent have discontinued their use, one in 1925, the other in 1927.

### Few Companies Write Form

Six ordinary companies and four fraternal are still transacting this class of business. Included in the six ordinary companies there are two whose policy is non-cancellable during the policy year, but renewable only at the option of the company on expiration. They also include three companies which have only recently adopted the non-cancellable form. In this memorandum the replies of the ordinary companies only are summarized.

The experience of three companies for which non-cancellable figures are available show in the aggregate, over a period of from three to eight years, the following: In Canada, premiums, \$132,769; claims, \$72,302; elsewhere, premiums, \$5,656,224; claims, \$2,385,858.

The total accident and sickness premiums and claims of these three companies in Canada for the same periods were in the aggregate: premiums written, \$3,555,487; claims incurred, \$1,719,496.

### Rate Differences Vary

The differences in premium for cancellable and non-cancellable policies in the case of those companies issuing both forms are difficult to summarize. In one case the rate for cancellable policies providing \$100 per month disability indemnity and \$1,000 principal sum, is \$44.50, the non-cancellable rate for the corresponding policy being, at age 35, \$71.50. In another company the non-cancellable rate is approximately 25 percent in excess of the cancellable rate.

Commission rates on cancellable policies vary from 20 percent to 35 percent for local agents, and 25 percent to 40 percent for general agents on both new

## NATIONAL SURETY ENTERS FRANCE AND GERMANY

### HUGH NETTLE MADE MANAGER

To Write Fidelity Business—Move Made After Extended Investigation of Underwriting Conditions

NEW YORK, Sept. 26.—Following an extended investigation of underwriting conditions in Europe, the National Surety of this city has decided to enter both Germany and France for fidelity business and has selected Hugh Nettle as its vice-president and European manager. Headquarters for the respective countries will be established at Berlin and Paris.

The National Surety has already a considerable volume of fidelity coverage upon European representatives of American corporations and its purpose now is to extend its operations and in addition to conducting an aggressive business getting campaign to establish a service for the rapid and satisfactory handling of claims abroad.

### Knows Conditions Abroad

Mr. Nettle is a trained casualty and surety underwriter, having been associated with several important companies prior to entering the service of the National Surety in 1921. He is peculiarly versed in conditions abroad and in touch with business trends there.

It will be recalled that Vice-President E. M. Allen of the National Surety spent some months abroad early in the present year and in his report to Chairman W. B. Joyce recommended the entry of the company into both Germany and France, a suggestion that was emphasized by Mr. Nettle upon his arrival here a short time ago.

and renewal premiums. Non-cancellable commissions for local agents vary from 25 to 40 percent new, and 5 percent to 10 percent renewal; for general agents, new 25 percent to 50 percent, and renewal 10 percent to 15 percent.

Non-cancellable premiums in force in Canada, Dec. 31, 1927, amounted to, annual, \$8,357; quarterly, \$17,709; undivided, \$11,063.

### Time Limit Avoided

There is a unanimous opinion opposed to the adoption of a specified period following a claim within which the policy would be non-cancellable. Even those companies that are transacting non-cancellable business express the opinion that a policy with such a provision would require practically the same premium as a non-cancellable policy and would be open to the further objection that it would be discriminatory and unfair, giving an unfair advantage to the under-standard and designing policyholder. All agree that such a provision would greatly increase the claim ratio and require increased premiums.

There is a fairly even division of opinion on the proposal to give a certain minimum notice of the intention of the company to refuse to renew a policy on expiry. Approximately one-half of the companies indicate no objection as it is

## EMPLOYERS INDEMNITY INCREASES ITS CAPITAL

### NAME OF COMPANY CHANGED

Made "Employers Reinsurance," to Indicate President Activities—Has Splendid Financial Ballast.

KANSAS CITY, Mo., Sept. 26.—The stockholders of the Employers Indemnity have voted to increase its capital from \$700,000 to \$1,500,000, and at the same time to increase the surplus from \$510,000 to more than \$2,000,000. The officers of the corporation have now completed all transactions in connection with the increase, and the money has been paid into the treasury. The name of the company has been changed to Employers Reinsurance Corporation, as more nearly representative of its activities.

### Gives Company Splendid Background

The added capital and surplus give the corporation a splendid background for its increasing casualty and surety reinsurance business. The company was organized by its president, E. G. Trimble, in 1914, with \$200,000 capital, all of which was subscribed and paid in by Mr. Trimble. Its capital has been increased by successive steps until in 1919 it reached \$700,000, at which point it has remained for the past nine years. Its surplus as of Dec. 31, 1927, was \$510,000.

The Employers Indemnity withdrew from the direct underwriting field about two years ago, by disposing of its agency business and organization, and has since devoted its entire capacity to casualty and surety reinsurance underwriting. It has also recently amended its charter to include practically all casualty lines in which reinsurance is conventionally practiced, thus enabling it to supply any type of cover which its clients may require.

### Pacific Coast Office Planned

The company maintains underwriting offices in New York and Chicago, and contemplates opening a Pacific coast office. It is licensed in 43 states, the District of Columbia and the Dominion of Canada, and serves more than 200 carriers with casualty reinsurance of various kinds.

their present practice to give reasonable notice. Other replies indicate that such a provision would require higher rates and that the companies would be hampered without corresponding advantage to the insured.

### Little Demand Found

Three companies issuing non-cancellable policies report that there is at least some demand for non-cancellable insurance. The others are unanimous in reporting no demand.

The same three companies believe that the demand indicates a necessity and that with adequate rates the transaction of business on this plan is entirely practicable. All the others express the opinion that it is impracticable because of

(CONTINUED ON PAGE 44)

## SUITS FILED IN RATE TANGLE BY COMPANIES

Companies Ask Injunction Prohibiting Massachusetts Commissioner Using 1928 Rates

## MUST FILE MEMORANDUM

Claim Old Classifications Are Not Fair or Adequate—Ask for Judicial Review

BOSTON, Sept. 26.—Contending that the 1928 classification of risks and schedule of premium charges under the compulsory automobile liability insurance act of Massachusetts are void in 1929, through the failure of the commissioner to promulgate new rates on or before Sept. 1 of the present year, and asking for an injunction to prevent the commissioner, the attorney-general and the registrar of motor vehicles from putting into force such 1928 rates and classifications, 25 stock companies and 17 mutual companies doing casualty business in Massachusetts, combined in an appeal to the supreme judicial court of Massachusetts for relief.

The companies started legal proceeding along three lines: First, a petition for a review of the rates and classifications for 1928 as proposed to be enforced for 1929. Second, a petition for a writ of mandamus to compel the insurance commissioner to establish new rates for 1929, and third a bill in equity to enjoin the commissioner from enforcing the 1928 rates for 1929.

### Duty to File Memorandum

In its petition for review of rates and classifications, the bill in equity declares "it was the duty of the commissioner on or before Sept. 1, 1928, after due hearing and investigation, to fix and establish fair and reasonable classifications of risks and adequate, just, reasonable and non-discriminatory premium charges to be used and charged for the year 1929 and to file in his office a memorandum of his order fixing and establishing such classifications and charges."

On Sept. 1, however, "without having filed such written memorandum, the commissioner resigned his said office" and it is explained that a copy of the commissioner's letter, resigning his office, which contained the statement relative to "solving mathematical problems by the introduction of a factor of political expediency" and other interesting reading regarding his being practically forced from office, accompanied the petition.

### Not Fair or Reasonable

It is explained that the companies understood and believed the commissioner fully intended to establish new and revised rates for 1929 and to that end they furnished him data and statistics. They believed up to Sept. 1,

(CONTINUED ON PAGE 50)



## DALLAS CAUTIONS ON DISABILITY COVERAGE

### PRESENTS SERIOUS PROBLEMS

Underwriting Head of Aetna Life Comments on This Important Phase of the Business

Speaking before the Aetna Life Managers' conference in Quebec, W. H. Dallas, underwriting head of the company, referred to disability underwriting as one of the most uncertain phases of the business today. He urged caution in its acceptance until its precise experience is more truly known and told of some of the difficulties thus far encountered. Mr. Dallas said in part:

#### Various Rating Plans

"We made a rather comprehensive investigation about a year ago and developed a great deal of information regarding the disability practices of a number of leading companies. It was decided at that time that it was inadvisable, for the present at least, to attempt ratings for disability and double indemnity. This means that we have one standard clause, and where we do not feel that the standard clause can be given, all coverage of this nature is denied.

"Many agents find that other companies are granting disability and double indemnity to cases where we refused it, but they do not realize that in a considerable proportion of these cases the disability or double indemnity, or both are very heavily rated by the other company.

#### Becoming Big Factor

"Disability is becoming a very big factor in life underwriting. Knowledge of the coverage is increasing, non-can and full accident and health coverage will be harder to obtain, and there is undoubtedly a considerable amount of deliberate 'shopping' for reasonably heavy disability coverage with life insurance. We see this especially in our term business because many companies do not issue disability with term, and only a comparatively few companies have the high limit of disability that we have.

"We have put an arbitrary limit of \$10,000 disability on women. We do not like disability on students, though we have on occasion given a small amount where the student is a college junior or senior. We do not like to give disability where the applicant has, at the time of application or contemplates purchasing life with disability and non-can, disability that will give him a total possible disability income of over \$15,000. We think the holder of big disability is a very questionable risk.

#### Watch Certain Classes

"We try to avoid disability on the industrial grade applicant and policyholder. We are trying to avoid the granting of disability to workers in seasonal occupations. Our experience on farmers has been particularly unfavorable, and worse on southern farmers than those in the west and north. There is some reason to believe that certain types of professional men are not the very best disability risks. There is serious danger that their incomes or earnings will drop off considerably before 60 or 65 and thereby increase the disability hazard.

"We are forced to very largely ignore the investment or unearned income and consider only the earned income of the applicant for disability. We do not like it when the total disability coverage is in excess of 60 percent of the earned income. Where we make exceptions, we like the applicant to be at the younger ages in a non-hazardous occupation where everything indicates increased salary for the future. We are naturally cautious in dealing with applicants who do not go to a regular

## HOSPITAL COSTS TOO HIGH; HEALTH INSURANCE URGED

### WILL HELP SOLVE PROBLEM

Dean of St. Louis University Medical School Speaks to Catholic Charities Conference

ST. LOUIS, Sept. 26.—A sweeping indictment of the present excessive cost of hospitalization, joined with a strong recommendation for health insurance, was made by Dean A. M. Schwitalla, head of the medical school of St. Louis University, before the National Conference of Catholic Charities, in session here.

"In the last 15 years," Dean Schwitalla said, "the cost of living has advanced but 68 percent while during the same period hospital costs went up 135 percent. This is a severe indictment of our hospitals and of our methods of hospitalization. Involved in the indictment are hospital administrators, physicians, nurses, social workers and dentists, who all stand as defendants in a trial in which the idealism, the unselfishness and sacrifices of the very professions which are popularly regarded as the most self-sacrificing fall under a searching scrutiny."

#### Suggestions for Improvement

He made these suggestions for the improvement of hospital conditions:

1. A determined effort to reduce costs, in the hope of giving the patient of moderate means the benefit of the saving.
2. More intense health education in the community to effect a broader realization of the importance of health problems and to bring about a corresponding readiness to budget for health.
3. Consideration of general economic situation so as to reduce costs for the patient of moderate means.

#### Value of Health Insurance

He declared that health insurance, "as an aid to the patient of moderate means, may well bid fair to assist considerably the solution of our problem. Insurance has been called the best way of saving and this might well be considered a satisfactory investment for the person of moderate means. It will still leave the burden of health cost on the individual and will not make him a social ward. The patient, knowing the amount available from his insurance, together with the amount of his own resources derived from other than insurance funds, will be reasonably enabled to choose such hospital facilities as lie within his power."

place of business every working day. This applies to the small merchant or shopkeeper who lives over his store or shop. It applies to the artist, the musician, the author, etc., whose work is apt to be spasmodic and not conducted in a regular office, factory, or place of business.

"Not very much of a definite nature, particularly in the way of statistics, is available on disability experience. We know there is such a thing as malingering, we strongly suspect that certain claims are not entirely honest, and we know that the claim situation is serious and the payments are very heavy. With the passing of time, all companies will have more experience, and undoubtedly the experience will be pooled.

"There are a very few companies that seem to be liberalizing their clauses and not making much increase in rates. On the whole, the cautious, conservative companies are somewhat alarmed over the disability situation, are raising their rates, tightening their underwriting, and are hoping it will be possible to come to some general understanding or agreement so that competition in liberalizing the clauses will not continue indefinitely."

## O'NEILL WILL BE HEAD OF CASUALTY BODY

### MEETING AT WHITE SULPHUR

Many Officials Were Present at Convention of the National Association of Insurance Agents

At the meeting of the National Association of Insurance Agents at West Baden, Ind., last week E. A. St. John, president of the National Surety, who is also president of the International Association of Casualty & Surety Underwriters, in the course of his talk said that undoubtedly F. J. O'Neill, president of the Royal Indemnity, would be his successor as president of the International association, which will hold its meeting at White Sulphur Springs next week. The casualty officials far outnumbered their fire associates at West Baden. In addition to Mr. St. John and Mr. O'Neill, there were present Vice-President Frank E. Sprague, Union Indemnity; Assistant Secretary J. G. Yost, Fidelity & Deposit; Assistant Superintendent of Agents Philip F. Lee, United States Fidelity & Guaranty; President Spencer Welton, New York Indemnity; Vice-President R. H. Thompson, Maryland Casualty; Vice-President E. M. Allen, National Surety; H. P. Stellwagen, secretary National Bureau of Casualty & Surety Underwriters; President W. D. Holterman and Secretary G. A. Hopkins of the Atlas Casualty of Ft. Wayne; J. Roy Donahue, superintendent of agents Pennsylvania Surety; E. M. Linville, superintendent of agents Eagle Indemnity; Roy Tuchbreiter, vice-president Continental Casualty.

## CUNNINGHAM HEADS NEW EQUITABLE C. & S. OFFICE

NEW YORK, Sept. 26.—Early next week the Equitable Casualty & Surety will open a downtown office at 123 William street, this city, appointing as its manager Thomas A. Cunningham, who has been elected a vice-president of the First National Underwriting Corporation, controlling the underwriting for the Equitable Casualty throughout the metropolitan area. Mr. Cunningham has had a broad underwriting experience, having been identified as liability manager with several leading companies, and at present is head of the casualty branch of Stokes, Packard, Houghton & Smith. He has an extended following among brokers and may be counted upon to secure his full share of their casualty business.

The Equitable Casualty was formed in 1924 and in its most recent financial statement reported assets of \$3,527,646; capital of \$1,000,000 and a net surplus of \$848,972. It writes all forms of surety and casualty business save workmen's compensation and accident and health, and through affiliation with a strong fire company will be able to issue fire indemnity as well.

A. E. Sharpe, superintendent of the casualty department of the corporation, was recently with the London Guarantee & Accident, and bears an excellent reputation as a sound underwriter. The establishment of the new office by the Equitable Casualty is a progressive move, attesting its purpose to become more of a factor in the metropolitan field than it has been hitherto.

#### McGlasson on Tour

E. A. McGlasson, superintendent of the liability department of the Union Indemnity and Northwestern Casualty & Surety, is on a trip which will take him to Miami, Okla., Tulsa, Kansas City and St. Louis. Mr. McGlasson is engaged in establishing the safety educational work of the two companies on a firm basis in these cities. He will be joined in St. Louis by Mr. Boettcher, a specialist in safety engineering work for the same companies.

## JUDGMENT RENDERED ON COMPLETION BOND

### MARYLAND IS HELD FOR \$50,000

Company Charges Obligor Knew of Bad Financial Condition of Contractor—Will Appeal

BOSTON, Sept. 26.—Dangers of the completion bond are shown in an award of \$53,248, with interest, handed down against the Maryland Casualty in the superior court here in the case of the Province Securities Corporation against the company. While there was considerable talk of completion bonds two or three years ago, the companies soon found reason for great care in underwriting.

William W. Cheney and David Carlin, builders, sought a construction loan of \$200,000 from the Province Securities Corporation. The corporation offered to make the loan if the builders could get a bond. A bond of \$75,000 was furnished by the Maryland Casualty and the loan made. Soon after the builders failed to complete the contract on time and the bond was called.

#### Knew of Bad Condition

Counsel for the Maryland maintained in court that fraud had been perpetrated on the company, maintaining that the securities company representatives and the builders had known each other for years and the former knew the builders were not in good financial condition and were not able to complete the building on which the loan was obtained. Therefore, the bonding company contended, it was the duty of the securities company to inform it of the risk it was taking and not doing so was equivalent to a fraud on it.

Counsel for the securities corporation contended that the bonding company made its own investigation of the financial condition of the builders and their agents were apparently satisfied the men were a proper risk.

The bonding company also brought a cross action against the securities corporation for the money it said it lost through its transaction with the builders, but the judge dismissed that action. An appeal will be taken to the full bench by the bonding company.

## MALMSTONE SUCCEEDS MAJOR

Former Special Agent of Standard Accident Is Appointed Production Manager in Chicago Office

John Major has resigned as manager of the production department in the Chicago office of the Standard Accident. He is succeeded by T. O. Malmstone, who has been a special agent of the company in the Chicago territory for about two years. Mr. Major, who went to the Chicago office of the Standard from the Oshkosh, Wis., office, has not yet announced his new connection.

M. J. Sheemacher has resigned as assistant manager of the bond department in the Chicago office of the Standard and has joined the Commercial Casualty as resident manager at San Francisco. His successor has not yet been announced.

#### Licensed in Illinois

The International Reinsurance of Los Angeles, of which Carl M. Hansen is president, has been licensed in Illinois to write accident and health, plate glass, liability, workmen's compensation, steam boiler, burglary and theft, sprinkler, automobile, credit, fidelity and surety.

#### New General Agent Appointed

Shimberg & Gerber of Syracuse, N. Y., have been appointed general agents of the London Guarantee & Accident for all lines.

# PUTS COMPENSATION LINE ON PROFIT SHARING BASIS

## NEW YORK INDEMNITY PLAN

President Spencer Welton Announces Details of Agreement Made With Agents

NEW YORK, Sept. 26.—As a result of the present unsatisfactory conditions in workmen's compensation, the New York Indemnity, following a series of conferences with selected groups of agents at its home office, has decided to adopt the fundamental principle of profit sharing as between the company and the agent on compensation lines agreeing also to such variations as seemed to be important, or desirable in the case of individual agents.

In a statement outlining the plan President Spencer Welton says:

"The profit sharing basic principle agreed to by the company is that where an agent has a considerable volume of compensation business which he feels he must place because of the other profitable collateral lines from the same client, but which are not necessarily given to the company carrying the compensation business, we will accept those lines subject to our usual underwriting requirements, giving the agent no immediate commission on that compensation business.

"He contributes his time and his agency facilities. Against that we contribute our time, our home office facilities and we pay the losses. If a loss ratio of a certain percent develops that to include loss expense, the remainder is divided equally between the company and the agent.

"For a long time it has been increasingly evident that the compensation lines written by a large number of agents have usually made the total volume of their casualty lines unprofitable to the companies they represent.

"Agents have written certain compensation lines because in handling the general insurance lines of a client it has been necessary to find for that client some place to have his compensation lines cared for.

"The great majority of agents have not been selfish in that. When they wrote the compensation lines and placed them with the companies they represented they often knew that the losses sure to follow would seriously affect and perhaps entirely absorb the profit made on other lines, but they have felt it necessary, even at some cost to themselves, to take care of their clients.

"In precisely the same fashion the companies have taken those compensation lines from the agents, recognizing that the loss would be substantial but believing it to be their duty to help the agent out of his difficulties."

### Dulaney With Iowa Mutual

W. S. Dulaney, second deputy commissioner of Insurance of Iowa, has resigned to accept a position as manager of the production department of the Iowa Mutual Liability and the Iowa Automobile Mutual of Cedar Rapids. Mr. Dulaney will assume his new duties Oct. 1. He has been with the Iowa department for seven years.

### Shaffer With New York Indemnity

L. E. Shaffer, who has served as assistant branch office manager of the United States Fidelity & Guaranty in Detroit and Pittsburgh, and in the New England field for the London & Lancashire Indemnity and Metropolitan Casualty, has become executive special agent for the New York Indemnity, traveling out of the home office.

### Elect J. R. Young's Successor

BUFFALO, Sept. 26.—At a meeting of the directors of the Merchants Mutual Casualty, Owen B. Augspurger, former vice-president and secretary, was advanced to the presidency to succeed J. Rogers Young, who was killed Sept. 11 in an automobile accident.

# AVIATION INSURANCE AND THE AGENT

Coverages—Liability and Property Damage

AVIATION insurance is not a simple, single form coverage. There is an all-inclusive policy which can be issued, covering all the hazards in one contract, but it is made up of at least 15 different forms of insurance protection. These may be sold individually or collectively and the aggregate premium is gauged by the combinations of these coverages. Of the entire 15 specific classes of aviation insurance, there is one which stands preeminently at the fore, liability insurance. Including the several liability and property damage coverages in one group, this is without question the most important division, for others may protect capital invested or personal welfare, but the liability policies protect the operator from the inroads of damage suits. Nor is this a myth of the mind. Automobile insurance quickly discovered the importance of the liability section. Aviation insurance has done so even more quickly.

Those engaged in aviation today clearly recognize the importance of liability protection. It was to this coverage, indeed, that the operators turned for aid, for they realized that they could soon be wiped out without its protection. Money, the great need for aviation development, cannot be secured without the assurance of insurance—particularly liability insurance. When huge damage suits may be filed at any moment, far greater than the total invested capital, the risk is clearly seen. They have been filed. Claims as great as \$150,000 have been encountered. And as air traffic increases, these claims of these extraordinary proportions will increase. During its early stages air traffic naturally draws largely from the ranks of those whose financial responsibility is greater. Larger liability claims would naturally result. Passengers of the millionaire caliber represent a far more hazardous "cargo" than the average automobile or train load. And should such a thing happen as a catastrophe in any one of the innumerable busy cross-roads of the country, the toll might be unimaginable. Should a plane drop at the corner of State and Madison in Chicago or at Fifth Avenue and 42nd street in New York, the liability claims consequent would be disastrous for any total of invested capital.

### Compulsory in Many States

Liability insurance scarcely needs introduction today. The automobile has established it as a definite and vastly important member of the insurance family. Indeed, aviation has been taken in check as the automobile never was, for 10 states have already adopted compulsory insurance laws governing airplanes. In Delaware, Idaho, Michigan, Nevada, North Dakota, South Dakota, Pennsylvania, Tennessee, Utah and Vermont (and Hawaii) all planes are required to carry insurance covering property damage and personal indemnity at least. In many other states similar legislation has been and is being considered. There is little doubt that aviation insurance of this class will soon

be generally compulsory—but it is now quite thoroughly in demand, as the operators see the hazard to which they are exposed. It is the most obvious line for the approach, and to it can be added the many other classes of protection which would benefit the operator.

### Public Liability Insurance

Liability insurance as applied to aircraft is not a single type of coverage. There is public liability, passenger liability and property damage. There is also cargo liability, written up to \$250,000, covering legal liability on the cargo. The rate is very low, from  $\frac{1}{16}$  of 1 percent to 1 percent. Thus far the public liability policy has been written in limits of \$100,000—though increasing claims may see an increase in that. The rates are not on a definite schedule, varying according to the individual risk, but in general they follow somewhat the following schedule, as used by Barber & Baldwin of New York:

| In all             | Low    | Medium | High |
|--------------------|--------|--------|------|
| \$5/10,000/100,000 | 95     | 120    | 144  |
| 10/10,000/100,000  | 104.50 | 132    | 159  |
| 10/20,000/100,000  | 114    | 144    | 173  |
| 10/30,000/100,000  | 116    | 146    | 176  |

### Passenger Liability

The limit of indemnity on passenger liability is at present \$25,000 per passenger. Here again there is no definite rate schedule, but the normal rate is 3 percent of the aggregate liability per year, with discounts for additional passengers. In the case of two passengers, the discount off the premiums is 3 percent; for three passengers, it is 6 percent; for four passengers, 9 percent, and on up to a maximum discount of 27 percent. Lower rates are made where indemnity exceeds \$10,000 per passenger, when passengers are not carried for hire and where passenger flights are not on regular schedule. Special fleet policies may be written, combinations of numerous coverages may warrant reductions and the use of a deductible clause would warrant a reduction.

Property damage is also written in a maximum limit of \$100,000 at present and approximate rates for this coverage, as used by Barber & Baldwin, are as follows:

|                | Low | Medium | High |
|----------------|-----|--------|------|
| \$1,000 in all | 72  | 90     | 108  |
| 1,500 in all   | 79  | 99     | 119  |
| 2,000 in all   | 82  | 103    | 125  |
| 3,000 in all   | 87  | 109    | 132  |
| 4,000 in all   | 92  | 113    | 139  |
| 5,000 in all   | 95  | 120    | 144  |

There is little difference in this type of coverage between aviation and the automobile. The agent, now thoroughly familiar with automobile liability, need only arm himself with the exact information from his aviation insurance connection—and the basic knowledge needed for any approach to aviators—and he should find a common ground here on which to meet his prospects.

(This is the fifth of a series of articles on aviation insurance, from the standpoint of the agent and broker.)

### Great American Makes Apointments

J. D. Lahy, who has been field superintendent in Ohio for the Great American Indemnity for some time, has been transferred to the Chicago branch of the company in the same capacity. He is succeeded in Ohio by J. F. Drennan, recently connected with Cleveland agency and prior thereto for six years an executive special traveling from the head office of the Aetna Casualty.

Another appointment by the Great American is that of Joseph Sandman as superintendent of production in its metropolitan branch, working under Manager Milton P. Link.

Mr. Sandman has had some 20 years'

experience with casualty and surety underwriting, serving for a time as head of the bonding department in the Philadelphia general agency of Hare & Chase subsequently being associated with the New York city office of the Hartford Accident.

### New Partnership in Seattle

Forming of a new partnership is announced by N. A. Pearson, insurance attorney with offices in the Centra building, Seattle, and Ralph B. Potts, manager, and claims attorney for Hansen & Rowland, Tacoma, general agents. The new firm will take offices at 613-1 Liggett building, Seattle, to specialize in casualty, liability and surety legal cases.

# KAPHERR ADVERTISING MANAGER FOR REPUBLIC

## NOW WITH CHICAGO COMPANY

Will Take Charge of Sales Promotion Work—Has Long Experience in Insurance Advertising

Herman W. Kapherr, insurance advertising specialist, has joined the Republic Casualty & Surety of Chicago as advertising and sales promotion manager. His duties will include the planning, preparation, and execution of all journal, and direct-mail campaigns, the promotion of sales, and the development of the agency plant.

Mr. Kapherr has specialized in insurance advertising and promotion for the past eleven years. He began his insurance activities with THE NATIONAL UNDERWRITER and for one year was as-



HERMAN W. KAPHERR

sociated with the William H. Pool Company, Chicago, as manager of insurance advertising. Prior to that he was for eight years a member of the Roberts & Walker advertising agency, devoted to insurance advertising and sales promotion.

The Republic Casualty writes automobile and plate glass insurance, and it is understood that an extensive program for expansion is soon to be put into effect.

### Newcomb Added to Program

An addition to the list of speakers at the annual convention of the International Association of Casualty Surety Underwriters and of the National Association of Casualty & Surety Agents at White Sulphur Springs, W. Va., Oct. 2-4 published in The National Underwriter Sept. 13, is Charles Milton Newcomb, a widely known conventioneer, who will give an inspirational talk under the title "The Great Civilizer".

As finally arranged, Commissioner H. P. Dunham of Connecticut will speak on the morning of Oct. 2 in place of Superintendent J. A. Beha of New York, the latter delivering his address the following day.

### Cusick Joins Commercial

William S. Cusick has been appointed manager of the Pacific coast department of the Commercial Casualty. He will operate under direction of Albert W. Sisk, resident vice-president. For the last 17 years he has been assistant manager in the Philadelphia office of the Travelers.



## COMMISSIONERS GIVEN WILD WEST WELCOME

(CONTINUED FROM PAGE 3)

he aims to take on too much territory. If a contingent attempts to cast Mr. Detrick aside there will be a war in the camp and there will be some lids blown off. It seems safe to say Mr. Detrick will be elected to the high office.

The Pamunkey Tribe of Indians, the social adjunct of the Commissioners Convention, went up the Rapid River Canyon seven miles Monday afternoon for a ceremonial in a most imposing sylvan retreat with high walls of rock on all sides. Here lunch was served. The real Sioux Indians were there for a background and at times executed their war dances. The work was done by Col. Joseph Button of Virginia, John A. Hartigan of St. Paul, Henry F. Tyrrell of Milwaukee, Walter K. Chorn of Kansas City, J. V. Barry of New York and Clifford Ireland of Peoria, Ill. Frank Lockhart, who owns the land in the section where the celebration was held, told of some of its historic aspects. There were 50 initiated, including Governor W. J. Bulow of this state.

Tuesday and Wednesday were devoted to trips to interesting points in this most unusual and attractive locality. A business session was held Tuesday night. Thursday was to be given to business, as was Friday morning. The Indians forming the setting for the outside life of the convention are led by Chief No Flesh. A son of the famous Sitting Bull is participating. The Indians came from the Pine Ridge Sioux reservation and formed the background for the gathering.

### South Dakota Men Hosts

The South Dakota insurance men acted as hosts. There were a number of fire insurance field men, company officers, life general agents and local agents on hand.

The finance committee consisted of A. E. Nicholson, Bankers Life, Sioux Falls; L. C. Nichols, state agent Home Fire of New York; J. J. Bell, Midland National Life, Watertown; D. P. Lemen, secretary Queen City Fire; W. I. Rowe, state agent North British & Mercantile, Aberdeen; Charles McDonald, Rapid City, agent.

The entertainment committee consisted of J. M. Gogley, Sioux Falls; W. N. Van Camp, Hedwall-Sundberg Agency, Sioux Falls; J. H. Thompson, chief of the fire department, Rapid City; William Dawson, South Dakota Fire marshal's department.

### Toronto Wants Next Meeting

A. S. Caldwell of Tennessee, president of the organization, presided at all sessions in a very able way. Col. Joseph Button of Virginia, the secretary, acted as official guide during the proceedings. The roll-call showed 34 states represented. Superintendent W. R. Baker of Kansas, who spoke before the Canadian superintendents at their meeting, introduced superintendent Henry Brace of Alberta, who extended greetings from his organization. He issued an invitation to the National Convention of Insurance Commissioners to hold its next annual meeting in Toronto. He was reinforced by a letter from the Canadian Life Officers Association. Mr. Brace is a former member of the Royal Northwest Mounted Police.

New Orleans has extended an invitation to have the spring meeting there. The meeting place was crowded to the doors, as it drew an unusual number of company and organization men. This year a coterie of Chicago western managers of fire companies attended, including George H. Bell, National Fire of Hartford; H. A. Clark, Firemens of Newark; A. W. Powrie, Fire Association; John C. Harding, Springfield Fire & Marine.

President Caldwell in his address complimented the departments that had

charge of the International Life examination and who worked faithfully to conserve the interest of policyholders and all concerned. The constant change in office of insurance commissioners, he said, is not conducive to supervising stability.

### Livingston on Interstate Insurance

Commissioner C. D. Livingston of Michigan read his paper on interstate insurance at the first session. It dealt with proposed revised methods for covering chain stores and other properties located in a number of states. The present methods, he declared, are antiquated and the states do not get their proper taxes. He recommended a plan similar to that devised by the Interstate Underwriters Board to regulate this class of business and which awaits approval by the commissioners.

Superintendent G. H. Thigpen of Alabama and superintendent W. R. Baker of Kansas, in discussing the plan, declared the states should assist admitted companies so they can adequately take care of such insurance and not violate the laws.

Commissioner George P. Porter of Montana threw a mild bombshell by declaring that but few commissioners would cooperate with him in securing service for his state. New York always does, he added. He asserted that Montana is being flooded with policies of unlicensed companies and yet he can get no action from their home departments. His only recourse is to warn the people through the papers.

### Convention Examinations Discussed

Commissioner Don C. Lewis of South Dakota received an ovation as he arose to read his paper on "Convention Examinations," owing to his fine work as official host. He scored weak departments that permit unscrupulous or financially irresponsible companies to operate freely. State comity can not be upheld in such cases. If the home department will not do its duty, then a convention or joint examination should be in order.

C. R. Detrick of California in speaking of the International Life examination said that the commissioners worked in harmony to preserve all interests. Every policyholder, beneficiary and claimant is well protected. He predicted that stockholders will realize \$100 a share on par value of \$25.

Col. Button said the convention examination system started in 1909 to eliminate the reckless and raiding methods then followed. He believes in changing the personnel of states on subsequent examinations of the same company.

### Porter Criticizes System

George P. Porter, Montana insurance commissioner, severely criticized the convention examination system, whereby a department requests the same states to participate in the examination of its home companies from time to time. A mutual admiration society is thus formed. Mr. Porter said he relied on states to give correct information about their own companies. He frankly said he had been misled and he claimed the citizens of his state had been defrauded because weak companies had been protected and crooked ones had been allowed to continue. Mr. Porter contended that the same set of states should not be called in from time to time to examine the same company.

Mr. Porter said he revoked the license of the International Life in 1923 because he felt something was wrong. He later restored it on the pledge of the Missouri department that it had met all requirements. He blamed the Missouri department for its action. The International Life mess, he claimed, will affect life insurance in a most unfortunate way.

Mr. Porter said he was entitled to the protection of other departments. He asserted he had been basely deceived by some other departments. In 1909 eight states gave what he termed a "lovely

report" after examining the Lion Bonding of Omaha, yet 60 days afterward the company failed and its officials were indicted. Mr. Porter declared there is some high financial juggling going on among some companies and their home departments wink at it. He declared that his department should be able to rely on every other department. He asserted he is the commissioner of the people of Montana and not of any insurance companies.

### Banquet Held Monday Evening

The commissioners' banquet was held Monday evening. Governor Bulow of South Dakota was the first speaker. He applied Biblical history to South Dakota, claiming the state is really the "promised land." T. N. Crill, secretary of agriculture of South Dakota, spoke of the glories of his state. C. R. Detrick of California, first vice-president of the organization, responded for the commissioners and their guests to the greetings of the state officials. Harry O'Brien, former insurance commissioner of this state, acted as toastmaster. He is an attorney at Highmore. From this place also came Commissioner Don C. Lewis and former Commissioner W. N. Van Camp.

Following the Chicago special train came a contingent from Iowa, Nebraska and Missouri, headed by Commissioner Ray Yenter of Iowa. Former commissioners present are J. V. Barry, Michigan; J. F. Ramey, Kentucky; Platt Whitman, Wisconsin; W. E. Monk, Massachusetts; T. S. McMurray, Indiana; C. W. Hobbs, Massachusetts; E. J. McGivney, Louisiana; C. W. Fairchild, Colorado; Bruce Bullion, Arkansas; F. H. Hardison, Massachusetts; A. W. Briscoe, Alabama; Clifford Ireland, Illinois; W. N. VanCamp, South Dakota; A. C. Savage, Iowa; H. L. Ekern, Wisconsin; Miles Schaeffer, Indiana, and W. K. Chorn, Missouri.

The commissioners held a meeting Tuesday evening at which Superintendent James A. Beha read his paper on marine insurance. He said the foremost steps in this class are the formation of the American marine insurance syndicate and legislation favoring American marine insurance.

### Valuation Question Brought Up

Mr. Beha also submitted his report as chairman of the valuation committee. Last year the convention paid Marvin Scudder \$6,000 for publishing the book giving appraisals of securities. He asks \$7,500 for next year. At the last meeting the committee suggested that the insurance companies establish their own bureau to do this work under the supervision of the convention committee. The subject was taken up with the companies. Many replied they would do anything the commissioners felt to be desirable. Others declared they are overburdened now with taxes and they should not be burdened with this extra expense.

Owing to the opposition, Mr. Beha said the committee does not look with favor on a company bureau. Mr. Griffith, who did the work for the Scudder office, has gone with the Poor Publishing Company. Mr. Beha said this seriously handicapped Mr. Scudder. The Poor concern offers to publish the book gratis, with the understanding that each department take a book at \$10 each and the commissioners use their good offices to get insurance companies to buy these books. It was decided to leave with the committee authority to work out a contract for next year's books as seemed to it the most desirable.

Discussion of Mr. Beha's paper on marine insurance was offered by H. O. Fishback of Washington and C. R. Detrick of California.

### Barnhart on Western Trip

W. L. Barnhart, publicity director of the National Surety, is now traveling through the middle west, where he is scheduled to make addresses before a number of insurance, bankers and general business organizations.

## CANADIAN DEPARTMENT "NON-CAN" REPORT OUT

(CONTINUED FROM PAGE 41)

the higher premiums necessary to cover the cost.

One company which issued non-cancellable policies for a number of years and has now discontinued them states:

"When this company entered the personal accident and health business rates were promulgated for both cancellable and non-cancellable policies. No special argument was presented to the field in favor of either plan, but practically all of the business was presented on the cancellable form, our agents either not feeling able to collect the higher premium or the insured not desiring to take the medical examination and pay the higher premium."

### Another Company Reports

Another company still doing non-cancellable business states:

"We believe that the demand for a non-cancellable policy as compared with a cancellable policy is properly reflected in our own experience during the past few months, during which time our agents have offered both cancellable and non-cancellable policies. During this time only 7.5 percent of our applicants in Ontario have elected to apply for non-cancellable policies."

The replies would indicate that possibly the companies could, without serious disadvantage, adopt as an office practice the suggestion contained in Question 8, "that the company will refuse to renew the policy on any renewal date, or will on any renewal eliminate a specified disease or diseases, only if notice to that effect shall have been given by the company to the insured at least two weeks before the renewal date." At present, under the statutory conditions in force, a certain period of notice of the cancellation of a policy during its currency is necessary before the cancellation becomes effective, and it would probably not be disadvantageous to the companies if the same, or similar, notice of non-renewal on expiration were given to the insured. The replies show that this is the present practice of approximately one-half of the companies.

### Big Bond Required

Following the award of contracts for the construction of sections of the proposed \$43,000,000 water tunnel by the board of water supply of New York City, bonds of \$5,000,000 will be required of the successful bidders, which will mean premiums of \$560,000 to the surety companies supplying the indemnity. Completion of the tunnel, it is estimated, will require six years.

### United Pacific's Good Progress

The United Pacific Casualty of Seattle, Wash., which began business as a stock company in March, 1928, is making splendid progress. Under the direction of President J. W. Reynolds, the company began business with a capital of \$200,000 and \$200,000 surplus. With its inception a contingency fund of \$100,000 was appropriated. The company does business in Oregon and Washington and plans to enter British Columbia this year, opening a branch office at Vancouver. In addition to the home office branch the company now has branch offices at Spokane and Portland. George C. Huskins, formerly northwest manager for the International Indemnity, is superintendent of agents.

The United Insurance Agency is operating as general agent at Seattle for this company, J. W. Reynolds being president. This agency was organized to represent the company in Seattle and is also general agent for the Virginia Fire & Marine and Sentinel Life of Kansas City.

### Kubat in Special Agency Work

R. J. Kubat, who has just completed the Standard Accident's home office training course for field men, has been appointed to a position in the special agency department in the Chicago office of the company.

# Look Skyward!



## Property Owners Need a New Protection

Overhead sounds the hum of a motor, and skyward turn the eyes of the man in the street. He realizes that the aircraft has brought a new hazard to ground property—one that is not covered by his present insurance. He wonders if there is a policy to protect him from loss in the event the aircraft, or any part of it, should come crashing down and smash through the roof of his home, his garage, his factory, his store, his bank, his apartment house, or his hotel.

Wherever an aircraft flies property owners are in this frame of mind and they are prospects for the New Aircraft Damage Policy of the Independence Fire Insurance Company. Applications and policy forms are ready. The premium rate is so low as to be almost negligible and yet the coverage is absolutely necessary because it is the only one that reimburses for property damage by aircraft.

*[[ The Independence Companies are the Pioneers  
in all forms of Aviation Insurance ]]*



### The INDEPENDENCE COMPANIES

Home Offices — PHILADELPHIA

CHARLES H. HOLLAND, President

Casualty Insurance • Surety Bonds  
Fire Insurance



—\*— These Companies maintain Human Relations with their Agents, Brokers and Policyholders —\*—



## WORKMEN'S COMPENSATION

### KANSAS FIRST YEAR REPORT

#### Operations of New Compensation Act in That State Summarized by Bureau

TOPEKA, KAN., Sept. 26.—The final report on the first year of operation of the new Kansas compensation law has been made public by J. H. Crawford, director of the compensation bureau for the Kansas public service commission. The year closed June 30.

During the year there were 9,710 industrial accidents of all kinds in the state. Of these 73 were fatal, six caused total permanent disability, 318 permanent partial disability and 5,626 caused the loss of at least one week's time to the employee and thus became compensable. Of the cases which arose in the first full year of the new law, 3,798 had been completely closed within the year; initial payments had begun in 454, denoting complete settlement of the claim but payment only begun. This makes 4,252 cases settled, 75.5 per cent of all cases arising being closed or weekly indemnities paid within the year in which the accident occurred. Of the 4,252 cases settled there were 4,156 which were settled by agreement or informal conference in which there was no expense to either employer or employee.

The total compensation paid was \$431,838.38 and the medical fees, hospital bills and funeral benefits were \$117,395.48.

The appropriations and fees collected for the administration of the compensation law were \$34,853. The total expense of administration for the first year was \$15,619.78. The fees lacked only a little over \$5,000 of paying all expenses for the first year.

#### Debate at Nebraska Hearing

LINCOLN, NEB., Sept. 26.—A vigorous joint debate was held at the opening session of the commission empowered to survey the existing workmen's compensation law and make recommendations to the coming legislative session, between J. H. Jeffers, chief of the state compensation bureau, and Frank E. Helvey, secretary of the Insurance Federation of Nebraska. After Mr. Jeffers had pointed out several conflicts and ambiguities in the existing law, he expressed the belief that insurance companies writing these forms of risks do not always adhere to the manual of rates. Mr. Helvey said that no such practice exists and that if it ever shows up the insurance commissioner would punish the companies and the companies would deal with agents violating the schedule.

#### Nebraska Bureau's Report

LINCOLN, NEB., Sept. 29.—A detailed report of the activities of the workmen's compensation bureau for the last year has been supplied the governor by A. B. Pirle, now in charge as labor commissioner, and copies furnished the legislative commission now hearing testimony, which expects to report an amended law of its own next January. The report shows that while accidents are increasing the amount spent for hospital and medical treatment is less. Payments to workers have increased from \$50,346 in 1915 to \$992,984 last year. Of this total \$306,430 was for medical and hospital expense. Total premiums paid insurance companies were \$1,573,649 and the losses paid by them were \$988,597.

The report says that an analysis of the figures shows that the medical expense is taking too large a share of the total compensation paid, in many cases the doctor getting more than the patient.

#### Virginia Compensation Statistics

RICHMOND, VA., Sept. 26.—Of the more than 100,000 industrial accidents reported to the industrial commission of Virginia since the workmen's compensa-

tion act became effective in 1919, 70,000 caused disability or death, according to records compiled by Frank P. Evans, statistician for the commission. These accidents cost employers \$50,000,000, he estimates, and the total compensation paid has been close to \$10,000,000, exclusive of medical cost, estimated at \$3,750,000. Surveys have shown, he says, that the cost to employers, directly and indirectly, from industrial accidents is approximately four times the amount actually paid out in benefits. Both medical costs and claims have increased in recent years in Virginia. In 1920 the total awards for compensation were approximately \$750,000, while in 1927 the total was approximately \$1,250,000, it is estimated.

#### Discuss California Accident Rate

SAN FRANCISCO, Sept. 26.—Increase in the accident rate in California industries, especially in the building trades, was the reason given for a special meeting of persons interested called by Will J. French, director of the department of industrial relations of California.

Director French pointed out to the engineers, architects and safety men present that in the building industry 626 men were killed the past four years and that permanent injuries were suffered by 756 men, while in all 72,018 suffered injury. In all industries, Mr. French pointed out, there were 2,784 deaths in the same period, 4,905 perma-

nent injuries and 963,058 slight injuries. Plans to bring about some remedial measures were discussed.

#### New Jersey Premiums \$12,198,773

Net premiums written by all its members on New Jersey compensation risks for the 12 months ended June 30, 1928, aggregated \$12,198,773, according to the Compensation Rating & Inspection Bureau of New Jersey. The leader in amount written was the New Jersey Manufacturers Casualty, with \$2,155,604. In second place was the Travelers, with \$1,448,510. The United States Fidelity & Guaranty wrote \$888,702; the Globe Indemnity, \$624,559, and the American Mutual Liability, \$787,295.

#### Approve New Compensation Measure

DES MOINES, Sept. 26.—The executive council of the Iowa State Medical Society, in session in Des Moines Saturday, voted unanimously to approve the increased workmen's compensation measure, which has been proposed by Industrial Commissioner A. B. Funk. The measure is scheduled to come up at the next session of the Iowa legislature.

#### Want Ohio Plan in Nebraska

LINCOLN, NEB., Sept. 26.—Additional impetus to the movement among Nebraska workmen to secure a state fund for workmen's compensation business was given this week, when the Nebraska Utility Workers Association voted disapproval of the present method, and adopted resolutions urging that the legislature adopt the Ohio plan of a state fund, with all private companies barred from assuming risks.

## WITH BURGLARY UNDERWRITERS

### PREFERRED EXPLAINS ACTION

#### Resigns from Bureau So As to Meet Competition in New York Boroughs

NEW YORK, Sept. 26.—In advising members of the burglary department of the National Bureau of Casualty and Surety Underwriters of its recent resignation from the body, the Preferred Accident states that its action was impelled by the determination to hold its residence theft business in the New York City boroughs of Manhattan, Bronx and Kings, against the competition of a non-affiliated company which has been aggressively seeking it. In March, 1926 the burglary bureau, after a study of the loss experience in the boroughs above named, removed all three from territory No. 2 in rate manual, creating for them territory No. 5, a new division. The counties of Albany, Nassau, Queens, Richmond, Rockland, Suffolk and Westchester continue in the former territory. The rates for this territory graduate from \$22 for the first \$1,000 of indemnity to \$32 for \$5,000, while those in territory No. 5 range from \$25 for the initial \$1,000 to \$60 for \$5,000 of protection; the divided form of policy being issued in both cases.

The Preferred Accident has filed with the insurance department its individual rate schedule, the figures being identical with those of the bureau offices in all sections save only in the three New York City boroughs mentioned. In them it is using the old territory No. 2 rates, thereby placing it on a parity with the non-affiliated company so far as tariffs in the home section is concerned. It will continue to observe bureau practice elsewhere throughout the country.

#### Liberalize Vehicle Act

TORONTO, CAN., Sept. 26.—The Ontario government recently announced its regulations under the public commercial vehicles act and these fixed \$3,500 as the minimum amount of insurance to be carried. Following protests it is announced that those engaged exclusively in the transportation of farm or dairy products or live stock will be allowed to take lesser amounts.

### BANDITS STEAL ANYTHING

#### Wagon Load of Live Chickens and 15 Tons of Lead Figure in Two Chicago Losses

Two recent holdup losses in Chicago indicate to what lengths the modern bandit goes to obtain money outside the law, and indicates also the field the agent has for the sale of burglary and robbery insurance. A commission jobber was driving along a west side street at an early hour in a wagon loaded with 1,600 head of live chickens in crates. Three banditti presented him with the alternative of delivering his wagon and its freight to them . . . or else. He delivered. Chicago burglary underwriters give it as their opinion that the bandits had no trouble disposing of their unusual haul.

In the second case a group of armed bandits presented themselves at a warehouse and ordered the men on duty to line up along the wall. "There's nothing here you could use," one of the employees told them. "All that's in here is about 15 tons of lead." The gang leader replied, "That's just what we came for." They had. They loaded the 15 tons of bar lead into trucks and drove off with it. It is the belief of the robbed that the gang also stole the trucks in which they made their haul.

Robberies of small mercantile establishments do not seem to be increasing in the city, but still are sufficiently frequent to make necessary close scrutiny of all risks offered. In one recent robbery the robbers circumvented the electric alarm system by drilling upward from a basement through four inches of concrete floor. They escaped with a complete stock of women's dresses, valued at about \$1,500.

#### North Dakota Bank Robberies

Three unmasked men, all armed, forced seven persons into a vault and robbed the Farmers & Merchants bank of Beach, N. D., of \$5,000. They escaped toward Sentinel Butte in an automobile driven by a fourth member of the band. It was the third robbery in North Dakota within 10 days, while in another instance

bandits shot the cashier of a bank which they unsuccessfully attempted to rob.

The holdup follows the robbery of the State Bank of Zahl, a village near Williston, where \$7,000 was obtained. The Garske, N. D., bank was held up several days before, but the robbers fled after shooting and seriously wounding the cashier. They obtained no loot. Another bank was robbed at Fairdale, when two men obtained \$5,000.

The Farmers State Bank of Hamburg, N. D., was robbed Sept. 22 of between \$2,000 and \$3,000 by two masked men who escaped in an automobile. The robbers forced six men, three of whom were in the bank when they entered, to lie on the floor while they scooped up the funds.

## ACCIDENT AND HEALTH

### CLUBS HOLD JOINT MEETING

#### Health and Accident Managers of San Francisco and Los Angeles Discuss Problems

SAN FRANCISCO, Sept. 26.—Health and accident managers of Los Angeles and San Francisco held a joint meeting here Saturday, for the purpose of considering the problems confronting their business. J. A. McKinnon of the California Insurance Agency, Los Angeles, presided and was reelected president of the "Associated Clubs." Stephen Chelbay of the Commercial Casualty was reelected secretary.

R. B. Oshier of the Federal Life led the discussion on mail advertising campaigns by unauthorized companies and newspaper policies. E. L. Leach presented the matter of hospital association, George Johnson of the United States Fidelity & Guaranty spoke on the idea of establishing a permanent bureau for checking and tabulating the activities of undesirable agents, William E. Burge of the Ocean and Columbia spoke on the suggestion of establishing contact with health and accident managers' clubs in other parts of the country, and L. C. Stearns of the Pacific Mutual Life considered the examination and investigation of new agents.

The past activities of the San Francisco club were recited by W. J. McHan of the American Bankers, while W. L. Thomas of the Pacific Mutual, Los Angeles, told of the work of the organization there, and Harry Daus of Portland, Ore., explained the efforts of the club in his city.

Bert R. Jones of the Maryland Casualty in San Francisco welcomed the visitors while E. L. Lawrence of the Federal Casualty responded. Stephen Chelbay and H. L. Miller were in charge of the program.

The next meeting of the organization will be held in Los Angeles at a time and place to be announced later.

#### Jersey Swindler Sentenced

David J. Mullan was sentenced to six months in the Camden, N. J., county jail last week when found guilty of swindling numerous persons by representing himself as an agent of the Federal Life of Chicago, selling travel accident policies handled by the Philadelphia "Inquirer."

#### New Manager at Fort Smith

E. C. Petree is now in charge of the Ft. Smith, Ark., branch office of the Mutual Benefit Health & Accident which W. A. Stackable represented there for eight years. Mr. Stackable is now with the Prudential. Mr. Petree's territory takes in western Arkansas.

#### Elevator Not Common Carrier

Held that although persons or corporations operating a passenger elevator are to be treated as common carriers of passengers in determining the degree of care required in the operation thereof, a hotel elevator is not a conveyance operated by a common carrier so as to fall within the terms of an accident insurance policy insuring the holder while

# — PICTURES —



**I**T'S largely in the mind's eye, this question of adequate bank protection. A banker weighing the advisability of adding to his Burglary Insurance, or extending his Fidelity Bond coverage, or investing in the all 'round protection of a Bankers Blanket Bond, is unconsciously influenced by the pictures long familiarity has photographed upon his mental retina.

**H**E sees, for instance, the great, orderly banking room, flooded with afternoon sunshine, the employees busy at their accustomed tasks. He visualizes the massive vault and its imposing steel door, equipped with gleaming mechanism. He recalls the tellers' friendly smiles and their apparent lack of interest in the money they handle.

**L**ET the surety agent summon up another set of pictures for the banker. The afternoon sunshine clouded with the smoke of pistol shots and the banking room in confusion; or the vault door melting beneath an acetylene torch; perhaps a teller, white and haggard, scanning the ticker tape that spells his ruin.

*It's this second set of pictures that points the need of thorough bank protection.*



**FIDELITY AND DEPOSIT**  
**COMPANY OF MARYLAND**  
*Baltimore*

**FIDELITY and SURETY BONDS — BURGLARY and PLATE GLASS INSURANCE**



riding as a passenger on any public conveyance provided by a common carrier and propelled by mechanical power.—Ogburn vs. Travelers. Ct. of Appeals, Calif., 1st Dist. Div. 2.

#### Orwall in New Quarters

S. L. Orwall, manager of the central division of the Mutual Benefit Health & Accident of Omaha and the United Benefit Life of the same city, has recently moved into larger and more commodious quarters in the Mallers building at 5 South Wabash avenue, Chicago. Mr. Orwall celebrated his fifth anniversary on Sept. 1 as manager of the central division. His territory includes Illinois and Indiana and he has built up a premium income of over \$500,000 per year. He has been with the Mutual Benefit for seven years, the last five years of which he has acted as manager. Prior to Mr. Orwall's going with the Mutual Benefit he was engaged in the general insurance business in Chicago. He started with the Mutual Benefit as soliciting agent and acted in that capacity for only two years when his abilities were rewarded with the promotion to the managership of the central division, one of the important posts in the company.

#### Question Newspaper Policy

BALTIMORE, Sept. 26.—Commissioner Benson has written to the North American Accident, asking for a statement of its connection with a plan of one of the Hearst newspapers published in Baltimore by which an accident policy is given to subscribers on the payment of \$1 per year.

Under the state insurance laws all insurance agents writing insurance must be licensed and bonded, and whether solicitors of the paper who offer insurance in connection with subscriptions come under this head is a question that must be submitted to the attorney general of the state for decision.

#### Cleveland Accident Case Heard

Arguments were heard in court at Columbus, O., a few days ago in the case of the Cleveland Accident, which wishes to liquidate its life insurance

business but continue the accident end. It contends the life insurance branch is not paying its way. The Ohio department is not disposed to grant the re-

quest on the ground, it is understood, that the activities of an organization can not be separated in an effort to determine its solvency.

## AMONG SURETY MEN

### UP TO AGENTS, MANAGERS SAY

#### Surety Company Officials Reply to Criticisms Made at Recent Iowa Meeting

NEW YORK, Sept. 26.—Surety company officials here say they are at a loss to understand the severe criticism directed against them by members of the Iowa Association of Insurance Agents at their recent convention at Cedar Falls. They claim that having provided the necessary machinery for the local men to suppress rebating in connection with contract bonds, about which the agents complain so bitterly, it is up to the latter to put it into effect.

The managers point out that when R. R. Gilkey, secretary of the Surety Association of America, appeared before the 1927 gathering of the Iowa association, and learned from the latter the extent to which rebating was practiced throughout the state, he promptly secured from the conference companies full authority to apply the various remedial measures proposed by the agents. The company men assert that J. R. Vaughn, then president of the Iowa association, in a statement to members of the organization under date of May 21, said that "Mr. Gilkey had performed all that he had promised, and more." The association companies required from each of their Iowa representatives a declaration that no rebate, directly or indirectly, had been granted or promised in connection with any submitted application for a contract bond. Such

pledges, executives declare, are still demanded and will continue to be.

So far as reducing rates on contract bonds, as talked of by the Iowa agents, is concerned, company executives point out that the Surety Association has nothing whatever to do with rate regulation, that being a function of the Towner Rating Bureau, which prepares its figures solely on the disclosed loss experience of each particular class, uninfluenced by any other consideration.

To the further intimation of the Iowa men that commissions on contract bond writings be scaled, managers answer that the commission question is one that must be considered for the country as a whole and not as to any particular territory.

#### Approves Bond Ordinance

MILWAUKEE, WIS., Sept. 26.—The judiciary committee of the Milwaukee council has approved the ordinance presented by Alderman John Doerfler, which provides that any city official who profits from the sale of surety bonds or other forms of insurance, on contractors doing public work, or on city buildings, shall be subject to discharge and not be allowed to hold a city office for one year. The ordinance will now come up before the city council for a vote.

#### Decision on Sheriff's Bond

Bostatter was shot and killed by defendant Hinchman. Plaintiff, widow and administratrix of the estate of deceased, brought suit against defendants Franz, sheriff; Paget, under sheriff; Hinchman, special deputy sheriff, and the General Casualty & Surety Co., surety on the sheriff's official bond. Defendants claim

Hinchman was special deputy sheriff with limited powers. That his acts complained of were without authority, without direction from the sheriff, and without warrant, and the sheriff and the surety on his official bond are not liable therefor. Defendant Hinchman says he was suspicious of deceased because a canvass covered something on back of the truck. Hinchman was out on the highway in the night time looking for thieves as he was ordered to do by Paget, under sheriff. Held that the act of Hinchman was in excess of his authority, though done under color of official sanction. If a deputy sheriff is guilty of unlawful conduct in the discharge of his official duties, the sheriff is liable for such unlawful acts and so are the sureties on the sheriff's bond. An official act is an act done by the officer in his official capacity under color and by virtue of his office. Here the deputy sheriff was acting in his official capacity. He acted under color of office. "The fault of the deputy was the fault of the sheriff." Judgment for plaintiff affirmed. Bostatter v. Hinchman, Sup. Ct., Mich.

## PERSONAL GLIMPSES OF CASUALTY MEN.

Hugh Nettle, European representative of the National Surety, has been at the home office of the company for some days, conferring with its executives about underwriting and general business conditions on the other side of the Atlantic. In the course of a talk before the Alert Club, an organization made up of employees of the National Surety, Mr. Nettle mentioned a \$1,000,000 defalcation by a representative of a prominent American corporation. Incidentally he noted that as a measure of economy the institution reduced the fidelity coverage on the man in question from \$25,000 to one-half that figure, concluding that no great risk was involved and that the extra premium might be saved. It was, and as a con-



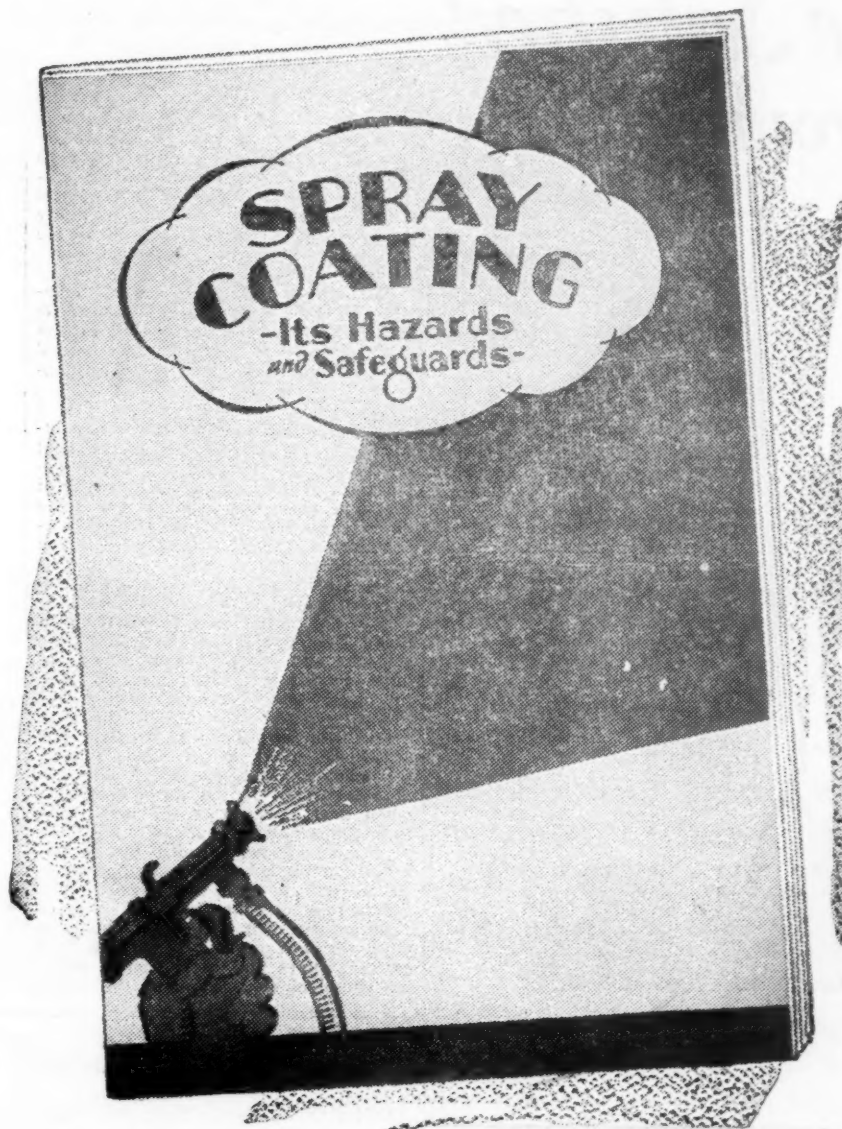
### Agents and Brokers—

We cordially invite you to join the growing number of our representatives. By doing so you confer a favor on us and are therefore entitled to every courtesy and to every Service within the power of our officers and employees to grant.

**Maryland Casualty Company**  
Baltimore

We hope to hear from YOU

Drop in on us at our Home Office



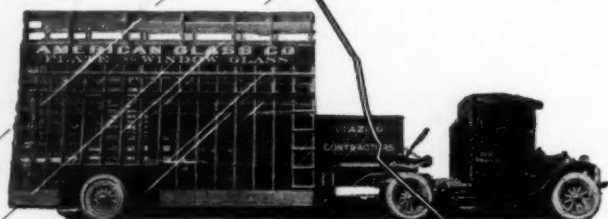
*"Our attention has been called to a pamphlet issued by your Company and entitled, 'Spray Coating—Its Hazards and Safeguards.' This publication is, we believe, of extraordinary merit. The subject is presented with great clarity and must be understandable to anyone who reads it."*

\* \* \* \*

The above paragraph is quoted from a letter recently received by the Hartford Accident and Indemnity Company from a large and important corporation. This booklet will be forwarded on request to any agent, broker or user of the spray lacquering process.



# Sure to be Satisfied ~all 'round!



## Agents and Assureds Satisfied!

### That's Why We Lead the World in Making

## Plate Glass Replacement

### AMERICAN GLASS CO.

1030 NORTH BRANCH STREET  
CHICAGO, ILL.

TELEPHONE: MOHAWK 1100 :: ALL DEPARTMENTS

sequence the corporation was out just \$12,500 which it would otherwise have collected from the National Surety when the dishonesty of its trusted employe was revealed.

Dr. R. C. Fisher, superintendent of the health and accident department of the Ohio State Life, and Mrs. Fisher have returned to their home in Columbus after a two weeks' outing in northern Michigan. During their stay in the northern woods Dr. Fisher was attacked by a large black bear, which had been caught a few days before by a trapper and was chained to a stake. The bear sank its teeth in the calf of one of Dr. Fisher's legs but lost its hold when its feet slipped off the puttees which Dr. Fisher wore. Medical attention was given Dr. Fisher promptly and no serious results as a result of the attack are expected.

William H. Magoun, general manager of the Massachusetts Rating & Accident Prevention Bureau, left Boston last week by boat for a two weeks' hunting and fishing trip in Newfoundland.

Casualty underwriters are commenting upon the remarkable development shown by the accident and health department of the Commercial Casualty of Newark, since the appointment some seven years ago of F. W. Benjamin as manager and P. G. Garey as assistant manager of the division. When this progressive team, after ten years of associated effort with another organization in the central west, joined the staff of the Commercial Casualty in 1921, the accident and health premiums of the office totaled \$862,554. Year by year the figures were increased until in 1927 they aggregated close to \$2,257,000, with every prospect of their reaching the \$2,800,000 mark when final returns are made up Dec. 31 next. This admirable record is the more creditable when it is stated that the gain came from the established agency of the force of the institution, unaided by the efforts of a single special agent, or swollen reinsurance deals of any sort. The Commercial Casualty issues a series of clean-cut accident and health policies; gives the best possible service to field representatives and their clients, while the complete cooperation of the entire

executive staff is assured to Messrs. Benjamin and Carey in the handling of their particular department, as is likewise true of help extended to the heads of all other divisions of the company. The Commercial Casualty is forging steadily to the front and is an institution in which citizens of Newark generally take a justifiable pride.

The Standard Accident announces the appointment of George A. Marks as special agent at its Cleveland branch office. Mr. Marks has for some time been doing special agency work at the Detroit branch office, under Charles L.



GEORGE A. MARKS

Platts, manager and P. C. Sargent, associate manager.

The appointment marks another step in the company's program of development in northeast Ohio that was definitely inaugurated with the recent establishment of the Cleveland branch office, under G. I. McCredie as manager.

Thomas V. Pendergast, vice-president of the Transportation Indemnity, was a visitor in Chicago this week. The management of the company is in control of William H. McGee & Co., with offices in Chicago and New York.

#### WISCONSIN COMMENT ON MASSACHUSETTS TANGLE

OSHKOSH, WIS., Sept. 26.—"Motorists of Wisconsin and other states are watching the passage between Insurance Commissioner Monk and Governor Fuller over the proposed increase in rates for motor liability insurance as the result of the first year of operation in Massachusetts under the compulsory insurance law," says the Oshkosh "Northwestern," daily paper here, in a leading editorial.

#### Difficulty Not Unexpected

"It becomes increasingly apparent that fake damage suits and excessive awards by juries on the ground that the insurance company, and not the defendant, must pay them, are largely responsible for the apparent failure of present rates to cover losses. This difficulty was not unexpected. Commissioner Monk said before the law went into effect that rates could hardly be stabilized under five years' operation. The trouble is less with the legal premium rates than with evils that have grown up under the compulsory insurance law."

When the Wisconsin legislature meets next January, it is certain that similar legislation will be proposed in this state. The present controversy in Massachusetts will be used as an argument in the fight on compulsory liability insurance in Wisconsin, without doubt, and the press of the state will carry considerable weight, pro and con, on the subject.

#### CENTRAL SURETY REPORT SHOWS COMPANY'S GROWTH

Earnings of the Central Surety of Kansas City, Mo., for August were \$29,044, according to the company's latest financial statement. The company was organized two years ago by a group of Kansas City business men. It now operates in 43 states with an agency force estimated at 2,500 persons. The report follows:

|   |           |
|---|-----------|
| Earned premiums for August, 1928 .....                      | \$166,938 |
| Total losses and expenses .....                             | 147,581   |
| Underwriting profit .....                                   | 19,357    |
| Investment earnings .....                                   | 9,647     |
| Total earnings of the company for the month of August ..... | 29,004    |
| During the last four months the premiums earned were .....  | 634,375   |
| Total losses and expenses .....                             | 569,903   |
| Net underwriting profit .....                               | 64,471    |
| Investment earnings .....                                   | 32,125    |
| Total profit during the four-month period .....             | 96,597    |

#### Office Closes for Outing

The office of Conkling, Price & Webb in Chicago was closed Wednesday for the annual outing for the employees of the firm. As usual, the outing consisted of a luncheon and a matinee party for the ladies of the office and a golf tournament and dinner for the men.

Several handsome prizes, including the annual challenge cup, were up for competition in the golf tournament. Several of the downstate Illinois agencies associated with the office were represented.

Mr. and Mrs. Homer Mitchell have just returned to Dallas after a six weeks trip to New Mexico and the Fort Davis mountain country. Mr. Mitchell is president of the Employers Casualty of Dallas.

## **SEVEN 7 POINT FULL COVERAGE AUTOMOBILE POLICY**

*A Bird in the  
Hand is  
worth two in  
the Bush*

### *This Theory Has Been Exploded*

**T**WO birds in the bush are worth more than a bird in the hand when you apply modern methods of catching them. The business interpretation of this is: Why be contented with what you have when you can get twice as much?

Some Republic agents are getting the lion's share of the automobile profits in their communities. If you write for the reason, we will send it promptly.

STRENGTH



PROGRESS

# REPUBLIC

## CASUALTY and SURETY COMPANY

35 East Wacker Drive  
CHICAGO

# AUTOMOBILE INSURANCE



## WEST VIRGINIA MEN SEEK CONFERENCE

(CONTINUED FROM PAGE 5)

the West Virginia Uniformity Association in New York City July 30, 1928, recommending the adoption of a proposed compromise based on certain Eastern Union contracts, it was unanimously agreed to submit to the West Virginia Uniformity Association the following conclusions:

### Opposed to Separation

"All of the insurance agents at the meeting fully appreciate the willingness on the part of the supervisory committee to join with the agents of West Virginia in working out together through conference a satisfactory solution of the past troubles and the attendant chaotic conditions which have existed in this state throughout a 12-month period.

"However, our members are on record against compulsory separation as between companies within or without the membership of the West Virginia Uniformity Association. We shall, therefore, continue to oppose any contract which may be offered that includes separation. We shall continue to believe and re-affirm that separation is a company matter and that each company should adjust this matter with its own local agents as may be by them agreed upon from time to time.

### Twenty Percent Not Satisfactory

"For the past four years the agents of this state have been writing fire insurance for the companies on a 20 percent flat commission basis. A fair trial has thus been given to this rate of commission. No doubt it has worked satisfactorily for the companies but it has not proven satisfactory to the agents. The result of the existing controversy has been to cause the agents of the state to study carefully the result of their experience on a twenty percent commission basis. They find that the income from fire insurance business at 20 percent after the payment of local agency expenses is such that they cannot continue to operate on this basis with the hope of a fair and reasonable return to the agencies. The agents believe that they are entitled to such a reasonable return for the time and labor they have devoted to the insurance business, and for the good will which their efforts have created. The companies that have entrusted their business to agencies in West Virginia expect first rate service from them and prompt payment of balances from them. To secure this it is necessary that the agencies receive a fair and reasonable return on the business written by them.

### Commission Scale Suggested

"In an earnest effort to immediately effect a final settlement of a proposed uniform contract, and with the assurance that we appreciate your willingness to join with us in this laudable effort the agents assembled have named a committee consisting of our conference committee with such additional members as our executive committee may appoint to enter into further negotiations with your supervisory committee upon the following commission basis:

"1. Commissions shall be upon a 20 percent and 25 percent basis with classification based upon the Eastern Underwriters Association schedule.

"2. Commissions shall be 25 percent on automobile business.

### Result in Lower Income

"It is apparent that the application of the Eastern Underwriters Association classification of risks to West Virginia will result in a much lower income on the 15-25 percent basis, than would accrue to agents operating in the Eastern Underwriters territory. This for the obvious reason that the largest and most profitable premium producing business of West Virginia consists of risks in the coal, timber and chemical business, all of which yield 15 percent only under the

Eastern Underwriters classification. In the Eastern Underwriters territory these lines of insurance make up a small portion of the total insurance written, many of the largest lines carried being within the classification calling for the payment of commissions of 25 percent.

### Commissions Increased

"During the period of reduced commissions in West Virginia the tendency elsewhere has been to increase the amount paid the agents. In many important centers commissions have been permitted to remain at rates in excess of 30 percent and in other localities, including sections of the Eastern Underwriters territory, commissions have been increased by mutual consent to a basis of 20-25-30. It is thus difficult for the agents of West Virginia to see why a proposal should be submitted to them for the reduction of commissions which are already inadequate.

### Cost of Doing Business

"On the basis of comparative cost of doing business, West Virginia is entitled to higher, rather than lower, commissions. The average cost of the insurance business throughout the United States is shown by recent figures to be approximately 46 cents per premium dollar. In West Virginia this cost is not in excess of 38 cents, consisting of a commission of 20 cents; taxes, inspection bureau, stamping offices and adjustment bureau 5 cents; special agents' supervision 5 cents and home office expense 8 cents.

"It will be observed that the additional commissions suggest as a basis of compromise will, under the Eastern Underwriters classification, yield not more than 21 or 21½ percent to West Virginia agents. On this basis business can be conducted on a basis of 40 cents

as against 46 cents throughout the United States.

### Need Higher Commissions

"The experience of the Eastern Underwriters territory, as well as of the rest of the United States, has demonstrated the necessity of paying larger commissions on preferred risks. Because of decreasing losses rates on preferred risks have steadily declined, whereas the cost of taking care of the business, including service rendered over the period policies are outstanding, has not declined in amount and has increased in cost due to advanced wages, rents and other expenses.

### Cooperation Is Needed

"The agents of West Virginia are convinced that the profitable operation of the insurance business in the state is dependent on cooperation between the companies and their agents. Such cooperation must be secured by a business relationship which is mutually profitable. Unless the agents can derive from the writing of insurance sufficient net profits to constitute a fair and reasonable return to carefully managed agencies, this result cannot be obtained. Even if the agents should at this time enter into an agreement on the basis suggested in the proposed compromise, the impossibility of operating successfully under the commissions suggested would necessitate a revision of the arrangement within a comparatively short time. No settlement of the controversy will be, or can be, final and mutually satisfactory unless it permits the agents of West Virginia to operate successfully under it. It is with a view of now arriving at such a final and satisfactory solution of the situation that the agents find it necessary to ask for further conference with the supervisory committee."

## Examiners Hear T. E. Heald

(CONTINUED FROM PAGE 8)

suggestion has not met favor, as it would tend to broaden the scope of the standard policy beyond the established intention of the contract.

"Claims involving the sole and unconditional ownership provisions of the standard policy and insurable interest present interesting features. For the purpose of insurance it has been held that the technical holder of the title and a purchaser under contract both have sole and unconditional ownership, although the latter has no deed to the property and the purchase price has not been paid in full. The reasoning upon which this conclusion is based is that the purchaser in possession under a contract to buy is bound by the contract even if the property is destroyed. This of course does not apply where only an option to purchase is involved, or unless the contract purchaser is in possession of the property and is occupying it. All states, I believe, agree that where a new party is taken into the partnership or the transfer is to a third party it is such a change in the interest, title and possession as to void the policy.

### Cancellation and Substitution

"The matter of cancellation and substitution of one policy for another may present difficulties. An insured places an order for a policy on a building with an agent. The agent accepts the risk and designates the company in which the policy will be written. Then the insured asks the agent the amount of the premium and gives him a check for it, at the same time requesting the agent to write up the policy and keep it in his safe, which the agent agrees to do. The field man for the company visits the agency and, finding the new risk on the company's register, inspects it and decides to cancel. He instructs the agent accordingly and the agent without notifying the insured goes to his safe, gets the policy, mails it in to the company cancelled at date. He then issues an-

other policy in another company and places it in his safe. The same process is repeated when the field man for the second company visits the agency, his company's policy is taken from the safe and mailed in cancelled at date and a third policy is issued in a third company. A fire occurs and is reported to the company whose policy was last written. The adjuster arrives and on inquiry finds the facts as stated and refuses to recognize the claim, as his company's policy was never effective. The only valid contract was the original policy, and it was never cancelled, as the insured was never advised of the company's desire to cancel and never agreed to cancellation. This holds good unless there is an agreement between the insured and the agent for the latter to keep the former protected and to cancel and substitute policies at the agent's discretion or as occasion demands.

### Non-Concurrences in Policy Forms

"Non-concurrences in policy forms should be avoided, as they cause controversies in apportionments between companies. An examiner can many times correct such non-concurrences by comparison of forms where his company has two or more policies on a risk. When one set of policies on a risk has a pro rata distribution or average clause incorporated in the form and another set of policies otherwise concurrent has no such clause incorporated, the latter set of policies may be heavily penalized in the event of a partial loss. It may happen that the pro rata distribution clause may be used in a policy when underwriting practice does not require its use, two or more sections of a property being rated as one risk. In spite of the fact that the policy could have been written and would have been approved by the company if written without the clause, it is clear and unambiguous and its provisions can be applied. In considering the contract in

the apportionment of the claim after a loss no company could be criticized for applying it. The fact remains, however, that this form of non-concurrence is particularly offensive to the companies that may be penalized thereby. Whenever a non-concurrence in coverage is discovered it should be corrected without delay, as it may mean disagreement and controversy between companies, which is bound to make a bad impression on an honest claimant who don't understand the occasion for the delay in the payment of his loss. Under such circumstances the adjusters must report to their companies and await instructions, and even if the unusual should happen and all companies agree on an apportionment the claimant does not receive an adjustment as promptly as he otherwise would.

### Policies Issued to Lessees

"Policies issued to the lessees of buildings covering contents including betterments and improvements to the building sometimes due to misunderstanding on the part of company agents and the lessees cause trouble in loss adjustments. The controlling feature in determining liability under such a policy, for damage to betterments and improvements, is the question of the insurable interest or ownership of the lessee, and the insurable interest or ownership is determined entirely by the conditions of the lease. The mere fact that certain betterments and improvements were made by the lessee and at his expense does not give him ownership thereof or an insurable interest therein. A permanent immovable fixture is a part of a building and title thereto is in the owner of the building if its removal cannot be effected without damage to the building, even though the fixture was installed and paid for by the lessee, in the absence of any provision in the lease fixing ownership in the lessee and giving him the right to remove such fixture at the expiration of the lease. A lessee may have an insurable interest in decorations if the lease provides that redecoration must be done at the lessee's expense. The extent of the lessee's interest varies in proportion to the length of time the lease has to run. There may be a serious moral hazard involved if the lessee has expended a considerable sum in costly decorations and his business has not proved to be successful and there appears no prospect of its becoming so. If he could collect the cost of decorations in case of fire, he would have a motive in setting his place on fire. Under such conditions the decorations have no value to him particularly if his lease has a clause cancelling it in the event of a serious fire, in which case if he were operating at a loss he would be a gainer rather than a loser should a fire occur. All of these features must be taken into consideration in the adjustment of such a claim."

### Firemen's Group Discussed

One of the most interesting questions before the Eastern Underwriters Association and one that is being animatedly discussed by its members is the attitude to be taken by the associated companies toward agencies now representing Firemen's of Newark group of companies in the light of their retirement from the governing organization. In other words, will such agencies be treated as mixed and compensated on this basis? It is reported that President Bassett of the Firemen's proposed to obligate his companies not to pay more than the association scale in any agency in which organization companies as well as his own are represented. This question among others is said to have been considered at the meeting of the executive committee of the E. U. A. this week and will likely come up again at its gathering Oct. 3. A full meeting of the association will be called for Oct. 4.

Mrs. R. A. Gamble, whose husband is state agent for the Milwaukee Mechanics, is rapidly recovering at Wesley hospital, Wichita, from a recent operation.

# INTERNATIONAL RE-INSURANCE CORPORATION

CARL M. HANSEN  
President

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*Casualty and Surety  
Treaty Re-Insurances*

---

*Share and Excess*

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## International Re-Insurance Corporation

*Home Offices*  
Pacific Finance Bldg.  
Los Angeles, California

*Eastern Offices*  
80 John Street  
New York



# Why I'd choose The National Surety Company



if I were seeking a new  
Surety connection

By Chas. Seyler, President,  
Seyler-Day Co. General Agents,  
Los Angeles, Calif.

I would choose the National Surety Company for the **PRESTIGE** of representing the World's Largest Surety Company; such a Company is the best known and therefore needs no introduction to my prospective clients.

I would choose the National Surety Company for its **OUTSTANDING PREDOMINANCE** in the insurance branches of Fidelity and Surety Bonds and Burglary Insurance; no multiple line or other company has as comprehensively and progressively developed these lines; the National Agent is the leader in his community in the latest types of bonds.

I would choose the National Surety Company for its **SUPERIOR SERVICE** so important to the Agent, in the first instance, to secure business, and in the second instance to perpetuate the hold on business by speedy and equitable disposition of claims.

And last, but perhaps of greatest importance, I would choose the National Surety Company for its **CERTAINTY OF SURVIVAL**: Surety Companies are not unlike other business ventures; some achieve great success, some moderate and some are downright failures. I would select the one with the successful past; all companies, even the young ones, have futures before them, but the company with the successful past is the best bet for the successful future. I would choose the company that has a mortal cinch of outliving me and thus not jeopardize my business during a long hoped for career through the failure of the company or the selling out to another company.

If you'd like to know more about National Surety Company service and would like to find out if we have an opening in your town, clip this ad, attach it to your letterhead and send to

## NATIONAL SURETY COMPANY

WORLD'S LARGEST SURETY  
COMPANY,

115 Broadway,  
NEW YORK.

## Unauthorized Insurance Great Evil

(CONTINUED FROM PAGE 8)

states by which we could absolutely restrain unauthorized foreign insurance within the state, and there is a way to effect it without running the gauntlet of an adverse United States Supreme Court decision.

"It is reported that Congress gave consideration to a bill which in substance provided that the United States government prohibit the transportation by any means whatever of securities, or any correspondence in connection with the sale thereof into a state, unless such securities were eligible to legal sale within the state under its blue sky law. It provided very severe penalties for violation.

### Need Uniform Bill

"In attempting any form of legislation, which would govern and control the companies of our respective states, we cannot overlook the fact that unless other states are going to do the things which are contemplated under our own laws, the only effect of such regulation would be to tie up our own companies and compel them to forego business that companies of other states are writing freely. This would resolve itself into a proposition of curtailing the operations of the companies of our own state, while granting immunity or at least admitting our helplessness in attempting to bring about reciprocity or what is so frequently referred to as comity between states. The remedy to be applied in order to have this legislation be efficacious is to have this convention father a uniform bill requiring concerted action of all of the states.

### Make Special Provision

"The second class of unauthorized insurance companies I have referred to at the outset is the one where an assured finds it necessary to seek additional coverage beyond that granted by companies licensed within the state. For this particular form of coverage, special provision is made in the majority of the states, which in substance is to the effect that the commissioner of insurance may issue to any agent holding a certificate of authority under the license division of the home state, a special license to procure policies of insurance in companies not admitted to do business in that state, upon the filing of an affidavit by the assured that he is unable to obtain the necessary coverage and upon the filing by the agent of a bond of \$1,000 or other amount and the payment of a tax as required by the tax section of the law, which in Wisconsin provides that every person paying more than \$100 in premiums shall report the same to the commissioner of insurance and pay such tax.

### Not Entitled to Protection

"In my own state, with the large number of licensed companies, it seems almost incredible, except in extreme cases, that an assured should not be able to obtain the necessary coverage within the state unless the risk be of such character that no reputable company would assume the liability, in which event, I venture the statement that such an assured is not entitled to protection. If the assured is not willing to cooperate with the companies in placing his risk in such condition that a reputable company can legitimately assume the liability, he should be compelled to carry his own risk.

"I am quite free to admit that in many states, the situation may arise where, because of the large values involved, an assured is not able to obtain the required protection and therefore must seek outside assistance. No doubt there are a number of financially responsible institutions that could be utilized to advantage in a case of that kind.

"There should be a further provision in our laws that in such instances the

home department should have the privilege of passing upon the financial responsibility and loss-paying record of such institutions before the assured becomes involved in this hazardous undertaking. Where such request is not made, the department should not be held responsible; and since that is not the practice in Wisconsin, I have deliberately refused to grant any further special licenses in spite of the provision contained in our statutes authorizing me to do so.

"To illustrate that only one part of this law has proven at all effective, I may say that during the past year and a half no assured has admitted having placed with such unauthorized companies in excess of the \$100 minimum premium which he is obliged to report, and we have consequently collected no taxes.

"To me, it is a strange commentary that as a unit of government, we should be so highly concerned and so exacting in our requirements in connection with the responsibility of the legitimate company that is attempting to comply with all of the laws, and be so grossly indifferent and apathetic in our attitude towards the unlicensed, illegitimate and unscrupulous companies.

### Most Annoying Class

"The third class, namely, that class which complies with the laws of its home state, but makes no effort to comply with the laws of other states and solicits all outside business by mail, probably constitutes the largest and most annoying class.

"Nearly every state has a law defining 'who is an agent.' Recently Commissioner Cousins submitted to the attorney-general of Texas the question as to whether a newspaper is an agent of the company when taking advertisements for a company which was not authorized in the state of Texas. Unfortunately, it was the conclusion of the attorney-general of that state that a newspaper rendering such service is not an agent of the company, or performing an act that makes it an agent under the law."

Commissioner Freedy then quoted the Wisconsin law on definition of agency.

### Moral Suasion Most Effective

"At the December meeting," said the commissioner, "I ventured the suggestion that much effective work could be accomplished in the handling of these offenders by the respective commissioners, even without a definite statute giving the commissioner absolute control of such institutions. I felt that much could be accomplished by moral suasion if there were a disposition on the part of each commissioner to exercise that influence. And I am as convinced today, as I was at that time, that we should be in accord among ourselves in attempting such control.

"I should be very reluctant to even intimate that any of the present incumbents were lacking the necessary moral courage to undertake such procedure, but if there is any such in our present organization, may I not, for their encouragement, refer them to a decision of the Supreme Court of Wisconsin in the case of State ex rel Wisconsin Inspection Bureau, appellant, vs. Platt Whitman, commissioner of insurance of Wisconsin, where the question of authority of the commissioner to approve or disapprove rules was involved. The court, in this case, positively approved that newer principle of law that a commissioner of insurance is invested with not only administrative but legislative and judicial powers.

"If every ruling and decision of an insurance commissioner were brought before a court, the business and the courts would be hopelessly delayed. It ex-

pedites business to have methods and practices approved by the commissioner. Commissioners are devoting their energies to the study of insurance problems, and the vast majority of our rulings are based upon careful study and broad technical and practical knowledge, often complemented by the advice of the attorney-general as to the law. It may be said confidently that the prompt and effective dispatch of business requires the enforcement and administration of the insurance statutes by able commissioners. For the legislature to enact a law is not enough. It is an appropriate function of the executive branch to enforce it. Under a government of limited powers, the executive, legislative and judicial branches theoretically function in different areas. The insurance commissioner is an executive. To overcome the obsolescent rule that legislative power cannot be delegated to the commissioner, the court sometimes held that his acts were ministerial. Where it was urged that judicial powers had been delegated to the commissioner, the court sometimes held his acts to be ministerial. Other cases expressly describe the commissioner's functions as judicial and seem to establish that certain functions of a judicial nature can be exercised by the commissioner.

### Determined by Decision

"The theory that legislative powers can be delegated, is in my judgment, definitely determined by the Wisconsin decision. I am not unmindful of the fact that each time an innovation in regulatory laws is proposed, that we are immediately confronted with the doubt of constitutionality by someone who is seeking to obstruct progress."

Commissioner Freedy also quoted other sources which give commissioners of insurance legislative power. Commissioner Freedy said those instances confirm the thought that any ruling made by the commissioners, if within the bounds of reason, with reference to illegal operation of companies, would be upheld.

"I have probably traversed considerable territory," he concluded, "in the endeavor to bring you to the final conclusion that in my judgment the power of control over these unlicensed institutions is largely within our own grip. I feel certain that in our efforts to cure a cancerous condition, we would be accorded the encouragement of public opinion and the support of the courts if each commissioner promulgated a ruling making it a condition precedent to the issuance or renewal of a license that the company applying for same shall not do any unlicensed business. That would give absolute control of unauthorized insurance and such ruling would, in my judgment, be enforceable by virtue of the authority granted by the Wisconsin Supreme Court decision."

### Standard's Annual Golf Meet Held

Agents and employees of the Standard Accident in the Chicago territory participated in the annual golf tourney of the Chicago office of the company late last week. 12 foursomes competing for prizes. Messrs. Blick and Matthews were the winners in the Class A event. Other agent winners were: Fred Weed, Ralph Thorsen, Herman Englehard, J. H. McLane, E. J. Smith and J. Armstrong. Among employees the winners were Elmer Pedersen, plate glass and burglary inspector in the Chicago office; Kennedy Owen, vice-president in charge of the bond department; Charles Platts, manager of the Detroit branch, and Grant Fenn, manager of the liability department in Chicago. The golf tournament for the company's Chicago agents was inaugurated about 10 years ago, with but one foursome participating.

### Universal Casualty in Oklahoma

OKLAHOMA CITY, Sept. 26.—The Universal Casualty of Dallas has been licensed in Oklahoma, with L. A. Horton, state agent. The company will write automobile liability, property damage and collision and plate glass coverage. The company was recently organized by and is affiliated with the Universal Automobile of Dallas.

## INTERSTATE BUSINESS STANDARD IMPERATIVE

(CONTINUED FROM PAGE 14)

give a contract that this business demands and is bound to have. And we can assist these companies in setting up a method of regulating this class to which the insurance departments can look for cooperation in enforcement of state laws and taxation.

"2. Each state should adopt a definition of marine insurance in conformity with other states and the federal government, preferably by legislative action, but, if not, by insurance department rulings.

### Agree on Plan

"All the major governing organizations of the country have agreed upon a plan which they have offered this convention for its approval and active support. By this plan, practically the entire American underwriting market is cooperating with us. This plan sets up an organization which gathers from state rating organizations the local rates on property which an agent desires to insure, under what we may term an 'interstate contract.' In such cases where an average rate is necessary, this organization will be able to give to the state rating organizations for promulgation, an accurate average rate covering the property in whatever state it is located, based upon the correct local tariffs. These rates will be published simultaneously by all state rating bureaus throughout the country, and as such, will be available to any regularly licensed agent or broker. This also provides the source to which the state department can turn and quickly and easily determine whether its insurance laws are being violated.

### Floater's Are Proposed

"A number of so-called floater and reporting floater forms are proposed, all of which will be adopted as standard by the state governing bodies and will be written into the state rule books. These forms are for master policies to cover the insured in whatever states his property is located and underlying these master policies there will be written for each state a policy to cover the values in that state and comply with resident agency laws and to furnish data to the companies and states upon which the premium tax is assessed. It is these forms which the companies believe will supply the insistent demand for interstate coverage.

"One of the principal differences between the proposed and present form of policy is that this provides a 20 percent increase over the rates for the highest percentage of coinsurance (in such states where coinsurance is not prohibited). This is an attempt to equalize the short rate reduction which is generally required. It is my personal opinion that this differential is too great and I believe the companies will very soon find it necessary to change this charge, so as to make a different charge for different commodities dependent upon seasonal fluctuations and other similar factors. After the plan is in operation, the necessary data will soon be available upon which to base a refiguring of this charge, so that stocks of a non-fluctuating nature will not be unduly penalized.

### Need Definition

"There remains the one problem of the states preventing marine coverage on strictly fire business. As before stated, few states have defined what marine insurance is. I would suggest that each state adopt by statute or ruling the definition of the United States government which has been adopted by the companies.

"It is equally important to amplify and interpret this definition, stating definitely by name and description those recognized classes of policies which are and have been considered marine insurance and those that have been considered fire insurance.

"Policies coming under the head of

marine insurance should include the following:

"Goods shipped on consignment, while in transit and while in custody of others for exhibit, or trial, or approval, and while being returned. Personal contracts covering individuals: Personal effects and tourist baggage floaters, personal fur floaters, personal jewelry floater policies, fine arts floaters and musical instrument floaters. Special classes of inland marine insurance: Jewelry block policies, radium floaters, insurance on property for exhibition purposes wherever it may be, theatrical policies, film floaters, installation risks, salesmen's samples' floater, and merchandise and/or property in transit, while waiting for or undergoing processing in bleacheries, fumigatories, dusters, throwsters, and other similar processing until delivered to store, warehouse or final place of delivery contemplated at the time shipment was made.

"Bailee policies: Bailees' customers' insurance, furriers' and/or rug storers' customers' policies, legal liability policy—merchandise, the property of others in the custody of the assured, who is bailee.

"No less important is the naming of those classes which, by proper interpretation, come strictly under fire insurance coverage: Stocks in permanent location; stocks under the assured's control, involving storage risks in permanent warehouses; merchandise in course of manufacture, the property of and on the premises of the manufacturer; furniture and fixtures in use or improvements to buildings; fire tornado, earthquake, riot and/or civil commotion, risk on railroad equipment, the property of the assured, either rolling stock or other wise; and fire risk on all building material while in course of erection (after seller's interest ceases).

### Offer a Definite Standard

"Once these definitions have been adopted by the insurance departments, they then have a very definite standard to determine whether a company has attempted to evade state laws by a camouflaged marine policy.

"This interstate insurance problem has provided one of the main supports for non-admitted and unauthorized insurance companies. It has been profitable for some companies to be admitted into a very limited number of states in order for them to write this business we have described, immune to local prosecution. A vigorous support of this program will go a long way toward making it unprofitable to operate on an unauthorized basis. Conversely, a hearty support of the campaign against unadmitted and unauthorized insurance will do much to insure the success of the plan we have discussed. I sincerely hope that it will not be long before it will be considered an unfriendly act against a neighbor state to permit a home company to wilfully evade and violate the laws of another state, and that authority may be given to supervising state officials that they may control their home companies to this end.

### Advantages to Public

"We believe that the proposed plan will provide the following advantages to the insuring public: (a) It will make available a needed protection for industry having far flung values which fluctuate severely. (b) It will prevent discrimination as between the small merchant and the large corporation that is able through a brokerage connection to secure preferential treatment. (c) It will make sure a proper distribution and payment of taxes through the various states on the premiums accruing on property insured and located in that state. (d) It will bring the regulation of this form of policy to a central point where information which may be required from time to time can easily be secured and be available to the proper authorities who desire it. (e) It will insure that brokers placing business covering in many states are properly licensed in each of the states in which

the policies attach and thereby prevent the writing of business by non-licensed brokers."

### DISCUSSION BY THIGPEN

In discussing Mr. Livingston's paper, Superintendent George H. Thigpen, of Alabama, said: "The many changes occurring in the business world demand a restatement of underwriting methods. The broadening of underwriting rules to accommodate changed business conditions should receive first consideration at the hands of the state insurance commissioners. Under the present system of state supervision not only has general business been seriously handicapped, but unauthorized or nonadmitted companies have flourished, and the admitted companies, as well as the states and hard working agents and brokers, have lost very heavily.

### Fair Basis Needed

"It is up to the various state departments to promulgate a program that will regulate inter-state insurance on a basis fair to all, and which will guarantee to each state its right to govern its own business and secure its proper taxes, and at the same time protect those companies and agents who comply with the statutory requirements.

"In my judgment, the report of the committee of the Eastern Underwriters association, if adopted by this convention, will accomplish the desired results to a very large extent. Of course, this report may not be perfect, but it is at least a start in the right direction; and if it receive the hearty and vigorous support of all the insurance depart-

ments, it will bring about results that will be highly pleasing to all."

## AGENTS' BODY WILL CAUSE SEPARATION

(CONTINUED FROM PAGE 6)

dent Harrington to act as sergeant-at-arms and general factotum at sundry times. He was sent out to gather in the wayfarers, keep order, open windows and perform other services. When President Harrington instructed "Bill" to do the needful there was always ready response. Mr. Calhoun is one of the able men of the organization who has given it much time and thought.

Horatio Barber of Barber & Baldwin of New York, who spoke on "Aviation Insurance," had a severe experience on arriving at the hotel. Mr. Barber had not been in good health. His doctor had given him some medicine in a small vial. It seems in shaking the powder out on his hand some of the glass broke and Mr. Barber swallowed it. He thought he had been poisoned. Doctors worked over him in his room and got him in shape so that he could read his paper. Very few knew that he was undergoing so heroic a struggle.

C. Irving Thornburg of Huntington, W. Va., secretary of the West Virginia Association of Insurance Agents, and C. W. Hutchinson, the sprinkler equipment man of the same city, together with their wives, remained over to attend the annual ball Thursday evening. About 11 o'clock the quartet left in their automobile, driving all night to Huntington, arriving there the next morning.

## Beha Traces Marine Insurance Growth

(CONTINUED FROM PAGE 10)

the syndicates. Moreover, our New York law had already permitted another feature of the recommendations, namely, credit for reinsurance in companies which, while not admitted in our state, were able to meet the same standards of solvency that we prescribe for our own companies.

### Must Become International

"The third proposal was based upon the theory that in order to properly meet international competition, American marine insurance companies must themselves become international in character. With this sound doctrine I am in full accord, and I believe in whatever liberal interpretations of the statutes may lend encouragement thereto, and further in amending, wherever necessary, the existing statutes in the interests of liberalization. This convention has, I believe, lent the necessary encouragement to the establishment by American companies of foreign branches by advocating allowance of liberal credits for agency balances on foreign business, and by encouraging their entry into foreign fields through ownership of stock in organizations such as the American Foreign Insurance Association.

"In New York, during the 1923 session of the legislature, we took a further emphatic step towards liberalization by completely reconstructing our marine section 150, defining marine insurance in accordance with the congressional subcommittee's recommendation, which broadened considerably the insuring powers of our marine companies, enabling them thereby to more adequately meet the needs of American business and to overcome the foreign competition. New Jersey followed in 1924.

### Changed Taxation Basis

In 1927, New York, in accordance with the principle endorsed by the National Convention of Insurance Commissioners, enacted legislation placing marine insurance taxation upon an underwriting profits basis. This represents a radical departure from established practice, but we justify it on the

theory that we are complying with the mandate of our federal government, as represented by this official Congressional committee. The new basis of taxation applies to all insurance that is written within this state, upon hulls, freight, or disbursements, or upon goods, wares, merchandise and all other personal property and interests therein, in course of exportation from, importation into any country, including transportation by land or water from point of origin to final destination in respect to, appertaining to, or in connection with, any and all risks or perils of navigation, transit or transportation, and while being prepared for, and while awaiting shipment, and during any delays, storage, transshipment or reshipment incident thereto, including war risks and marine builders risks.

"This does not cover the full range of marine insurance as defined in section 150 of the insurance law, but it was intended that it should cover such classes of marine insurance as were subject to international competition.

### Pennsylvania Adopts Measure

"In the same year Pennsylvania adopted an underwriting profits tax law as applicable to marine insurance which covers substantially the same classes as the New York law. In 1928 New Jersey enacted the same law as New York.

"The ultimate effect of the adoption of the underwriting profits tax principle for marine insurance will not be apparent until after perhaps three or more full years of operation. Returns for the first year under the new basis (1927) were filled with the New York department in July of this year and at the present moment are undergoing regular audit. The tax return blank is necessarily intricate and undoubtedly some of the returns received will have to be revised. It is expected that the final figures will show a material increase in marine premiums written in the American market. I am informed in fact that Syndicate C upon passage of the new tax legislation in 1927 promptly increased the proportion it would accept of any risks, and this syndicate's premium in-



come in 1927 was \$486,000 greater than in 1926.

"It will not be until some time after completion of our audit that the effect upon our 1927 tax revenues will be known, and at any rate until three full years' results are in, no proper conclusion can be drawn from the returns, the tax being applied to the average underwriting profit of three years' business."

"For the year 1927, companies of Pennsylvania, Connecticut and the District of Columbia will be taxed by New York upon the underwriting profits basis on marine business because of the similar treatment accorded by those states to New York companies. New Jersey having passed similar legislation in 1928, its companies also for this year will be taxed by New York on marine underwriting profits."

"The foregoing constitute initial legislative steps, which, it is hoped, may prove to be the forerunners of other liberal legislation intended to remove what the congressional investigating committee believed to be obstructions to the free and unhampered development of American marine insurance and indirectly of American shipping and commerce generally. New York has endeavored to carry out the expressed desires of the official governmental investigating body and to give practical effect to the National Convention of Insurance Commissioners' approval of the principle of taxation of marine business on underwriting profits rather than upon the premiums. Up to the present time several other states have done likewise, while still other states, such as Connecticut, by virtue of the retalia-

tory provisions of their laws, are in a position to apply the underwriting profits tax principle without additional legislation.

"New York has no inclination to influence the actions of any other states in this respect, believing that the matter is one which is best handled within the confines of each individual state. I would like, however, to leave with this convention an idea which has presented itself to this department with respect to the new basis of taxation and that is, that considerable strides towards simplification and cooperation may be accomplished by the adoption of a generally standard form of underwriting profits tax return and that the New York department stands ready at all times to cooperate to the fullest extent toward this accomplishment."

"One other and more recent development in marine insurance should be mentioned at this time. During the early part of this year the committee on merchant marine and fisheries again conducted a series of hearings, which amounted in fact to an investigation into charges that the rates and premium fixed by the American marine insurance underwriters discriminated unfairly against American shipping and in favor of foreign shipping, the committee having been urged on this account to create a government owned and operated marine insurance fund."

"The original proposals, as contained in what were known as the 'White Bill' and the 'Wood Bill' were for the establishment of a governmental fund which would accept reinsurance from licensed insurance companies, at a discount (of one-half of 1 percent in the White Bill and 1 percent in the Wood

Bill) from the rate charged by such companies, on only American owned hulls. Subsequent proposals were advanced for the extension of the government fund into the field of cargo insurance as well, and in the interests of other than those of the government in hulls."

"Extended hearings were conducted, at which the American underwriters appeared in force to aggressively combat the charges of discrimination, and to actively oppose this proposed government invasion of the marine underwriting field."

"Apparently they were able to satisfactorily impress the committee, because the final result of the investigation was a slight amendment to the Merchant Marine Act of 1920, under which the shipping board is permitted to create a government-owned and operated fund to insure not only any legal, but also any equitable interest of the government in vessels or plants or property. The cargo insuring feature was of course completely eliminated."

"It may be that this slight amplification of the permissive section, will close this chapter, and on the other hand we may hear more of it in the coming year. The matter was too recently closed to enable me to report upon the result, if any, of this amendment, but it is a matter that will bear close watching by the commissioners individually as well as by the convention."

## SUITS FILED IN RATE TANGLE BY COMPANIES

(CONTINUED FROM PAGE 41)

1928 that he would fix and establish fair and reasonable classifications and adequate, just, reasonable and non-discriminatory premium charges to be used in 1929.

The classifications and charges of 1928, now intended to be enforced for 1929, it was further alleged, are not fair or reasonable, adequate, just or non-discriminatory and, the petition states, "your petitioners are aggrieved thereby and by the actions, orders, findings, decisions and omissions of the commissioner and of the present acting commissioner as heretofore set forth; and if the same shall be enforced without judicial review thereof, the petitioners will be deprived of their property without just compensation and without due process of law, and will be denied the equal protection of the laws, contrary to Articles 1, 10 and 11 of the declaration of rights of the constitution of this commonwealth and contrary to the provisions of the 14th amendment of the constitution of the United States."

The petition for a writ of mandamus to compel the acting insurance commissioner to establish new rates for 1929 points out that "The respondent (the acting commissioner, Arthur E. Linnell) though duly requested so to do, has neglected and refused and still neglects and refuses to fix and establish" fair and reasonable classifications, rates and charges to be used in 1929 and the court is asked to command the acting commissioner so to do.

The third action, a bill in equity to enjoin the commissioner from enforcing the 1928 rates in 1929, is directed against the attorney-general and registrar of motor vehicles as well and maintains that "said acts of 1925, chapters 345 and 346, and said acts of 1928, chapter 381, insofar as said acts purport to continue for the year 1929 classifications and charges fixed and established by the commissioner for the year 1928 only, without further order of the commissioner or memorandum thereof filed in his office as provided therein, are unconstitutional and void in that they contain no provision for a judicial review of the classifications and charges so fixed and established by the commissioner, as so continued."

The petitions and bills were filed that they might come within the 20-day limit allowed for appeal from new rates promulgated on Sept. 1, as the com-

pulsory liability insurance law provides, on the assumption that any rates for 1929 must date from Sept. 1, whether old rates continued or new rates promulgated.

The stock companies whose names are appended to the petition for review are as follows: Massachusetts Bonding, Fidelity & Casualty of New York, Globe Indemnity, Great American Indemnity, London & Lancashire Indemnity, Metropolitan Casualty, New Amsterdam Casualty, Phoenix Indemnity, Preferred Accident, Royal Indemnity, United States Casualty, Aetna Life, Century Indemnity, Travelers, Constitution Indemnity, Indemnity Insurance Co. of North America, Independence Indemnity, Maryland Casualty, United States Fidelity & Guaranty, Commercial Casualty, Standard Accident, Continental Casualty, Employers Liability Assurance, London Guarantee & Accident, General Accident and the Zurich.

The petition for mandamus writ and injunction are brought in the name of the American Employers alone.

The mutual liability companies petitioning are American Mutual Liability, Automobile Liability Insurance, Car Owners Mutual, Federal Mutual Liability, Service Mutual Liability, Trade Mutual Liability, Bristol Mutual Liability, Massachusetts Mutual Liability, United States Mutual Liability, Allied Mutual Liability, Utica Mutual, Merchants Mutual Casualty, National Grange Mutual Liability, New Hampshire Mutual Liability, Hardware Mutual Casualty, Security Mutual Casualty and Lumbermen's Mutual Casualty.

The Liberty Mutual appears as the petitioner and complainant in the writ for mandamus and the injunction on behalf of the mutuals.

On the same day the above bills were filed the Waltham, Mass., Coal Company, and two other Waltham companies, filed a bill in review in the supreme judicial court. They seek to have the court review the rates which were to have been promulgated by the insurance commissioner on Sept. 1 for 1929, which rates the commissioner failed to approve or promulgate. The petitions say that such rates and charges are unreasonable and discriminatory and the court is asked to have just and reasonable rates established in Waltham.

Attorney-General Joseph E. Warner has turned over to Roger Clapp, assistant attorney-general, the court papers in the action of the casualty companies against the commissioner, attorney general and registrar of motor vehicles regarding the compulsory automobile liability insurance rates. Mr. Clapp will conduct the case for the attorney-general and commissioners offices.

Petitions and writs of the casualty companies on the compulsory liability act were given first hearing before Judge Crosby in the Supreme Court late Tuesday. Assistant Attorney-General Roger Clapp, appearing for the insurance department, suggested to the court that pleadings be completed and the cases sent to the full bench as soon as possible. The attorney-general was ordered to have his demurrer filed by Friday of this week.

Attorneys for the insurance companies stated the demurrers the attorney-general intended to file would fully raise the law questions, for the full court indications now are that the question of the 1929 automobile liability rates for Massachusetts will go before the full bench at its sitting Oct. 15. A decision is hoped for some time before the end of the year.

In the meantime the first 10,000 applications for low number registration plates go out from the registry of motor vehicles Oct. 1, and as applications must be accompanied by certificates of insurance the companies are in a quandary as to what shall be done in the matter of rates to be charged. If the applications are not returned within a few days the holders of low numbers lose their rights to those registrations, and no little trouble will be started.

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